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INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM

HEARINGS

BEFORE A

SPECIAL COMMITTEE INVESTIGATING THE NATIONAL DEFENSE PROGRAM UNITED STATES SENATE

SEVENTY-SEVENTH CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 71

A RESOLUTION AUTHORIZING AND DIRECTING
AN INVESTIGATION OF THE NATIONAL
DEFENSE PROGRAM

PART 2

APRIL 28, 29, AND 30; AND MAY 5, 6, 7, AND 8, 1941

SOFT COAL STRIKE

CAMP CONSTRUCTION AT FORT GEORGE G. MEADE

LOCATION OF SEVENTH CORPS AREA TRAINING CENTER

Printed for the use of the Special Committee Investigating
the National Defense Program



UNITED STATES
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SPECIAL COMMITTEE INVESTIGATING THE NATIONAL
DEFENSE PROGRAM

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LYDIA LEE, *Editor*

WILLIAM A. HEFLIN, *Research Analyst*

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41. Certified copy of October 1935 "Agreement Between Operators and Mine Workers of Appalachian Area Setting Up Procedure to be Followed in Adjustment of Differential Disputes"-----	415	684
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¹ On file with the committee.

INVESTIGATION OF NATIONAL DEFENSE PROGRAM

MONDAY, APRIL 28, 1941

UNITED STATES SENATE,
SPECIAL COMMITTEE INVESTIGATING THE
NATIONAL DEFENSE PROGRAM,
Washington, D. C.

The committee met at 10:30 a. m., pursuant to adjournment Friday, April 25, 1941, in room 335, Senate Office Building, Senator Harry S. Truman presiding.

Present: Senators Harry S. Truman (chairman), James M. Mead, Mon C. Wallgren, Tom Connally, Carl A. Hatch, Joseph H. Ball, Ralph O. Brewster.

Present also: Hugh A. Fulton, chief counsel, and Charles P. Clark, associate chief counsel.

The CHAIRMAN. The committee will come to order. Mr. McGrady will be the first witness. Proceed, please.

TESTIMONY OF EDWARD F. McGRADY, EXPERT CONSULTANT TO THE SECRETARY OF WAR

EFFECT OF SOFT COAL STRIKE ON NATIONAL DEFENSE PROGRAM

Mr. McGRADY. Mr. Chairman, I believe it would be a moderate statement to say that if the present stoppage in the soft-coal mines continues the entire national-defense effort will be in grave jeopardy. The situation is now crucial.

We have now passed the calendar point where settlement of this strike could have averted damage to the defense program. The all-important question today is one of limiting the damage as much as possible, and as quickly as possible, before the entire industrial-preparedness drive is completely paralyzed.

I must emphasize that in most cases a period of about a week after the resumption of coal mining will be required for the replacement of depleted coal stocks. Furthermore, in the case of the steel industry at least an additional week will be required to get back into production those blast furnaces which have been closed down as a result of this strike.

The effect of this strike of 350,000 to 400,000 miners, which began on April 2, 1941, and is now in its twenty-seventh day, already has been felt drastically throughout that portion of American industry meeting the vital needs of this country in the current emergency. With production of bituminous coal virtually at a standstill, the reserves of many defense manufacturers and suppliers have reached the exhaustion point. Curtailment of production is being reported generally and shut-downs are already becoming widespread.

The War Department has just completed a thorough survey of the effect of the soft coal strike on War Department procurement.

Steel is unquestionably the industry most seriously affected. Reports of the 13 ordnance districts, as of April 26, indicate that not less than 24 blast furnaces have now been banked, and that at least 10 more will be closed down by May 1. These figures take no account of the large number of furnaces which are operating at reduced capacity in order to prolong coke supplies as long as possible. The average blast furnace produces between five and six thousand tons of pig iron per week. Steel ingot production is already more than 15 percent off, and this percentage will be doubled by May 5. It is estimated that steel production has already been cut at a rate of more than a million tons a month; by May 5 it is expected that it will be cut more than 2,500,000 tons, and so on progressively.

Although the power situation is somewhat better, at least 15 major utilities will face serious shortages within 2 or 3 weeks. It seems probable, from the data on hand, that facilities generating their own electric power are in even worse straits.

Other industries are already feeling serious effects, not only because of depletion of their own coal and coke supplies, but because of delays in receipt of steel on order. One example is the Harley-Davidson Motor Co., a principal source of supply of the fast motorcycles employed by motorized troops. It has reported that production will be delayed by failure to receive seamless steel tubing on order with the Pittsburgh Steel Co. The number of companies so affected, while still relatively small, will, of course, increase very rapidly during the coming week. The situation is particularly critical where 'special alloy steels are concerned, since the inadequacy of existing facilities for the production of such steels has forced most manufacturers to proceed on a hand-to-mouth basis where they are concerned.

Another vital industry which is at present seriously affected is ammonia, an essential element of TNT and other high explosives. At least three major units in this industry have reported that drastic curtailment of production is imminent. Most important of these is the Hopewell, Va., plant of the Solvay Process Co., largest of its kind in the world.

The Ordnance Department reports that two plants of the Du Pont Co., one at Seneca, Ill., which produces ammonia nitrate, and another at Barksdale, Wis., which produces TNT, have only 2 weeks' coal supply on hand.

Details of the status of the defense industries most seriously affected are:

Steel: In the Cincinnati district, the Continental Steel Co., Kokomo, Ind., will be forced to close down altogether unless additional coal and coke supplies are received by May 3. A typical example of the dependence of all defense industries upon steel, and consequently upon coal, can be seen in some of the contracts held by this concern.

It supplies approximately 400 tons of sheet metal per week to the Army's Frankford Arsenal; 800 tons to Noblitt-Sparks Industries, Inc., Columbus, Ind., holding prime ordnance contracts; and 600 tons per week to the Swanegan Chemical Co., Ltd., an important Canadian defense producer.

In the Chicago district, Carnegie-Illinois, largest single unit in the steel industry, has banked 7 out of 23 blast furnaces at the Gary and

South Chicago plants. Even on this reduced operating basis, the company has less than 3 weeks' supply left.

The prospect of further curtailment is indicated as imminent by the fact that the company has banked 210 of its 280 coke ovens at Joliet.

Inland Steel, in this district, anticipates a reduction of operations by May 10. Pickens-Mather Co., a subsidiary of Interlake Iron, reports that it may be necessary to shut down one or both of the furnaces at its Chicago plant shortly after May 1.

In the Cleveland district, the Republic Steel Corporation has cut pig-iron production in its Cleveland and Youngstown plants approximately 30 percent. The corporation closed down its Bessemer operations 4 days ago. The Otis Steel Co., Cleveland, will be forced to shut down production entirely by May 3, although it may be able to avert a complete shut-down by curtailing production at once.

The National Tube Co., Lorain, Ohio, closed down one furnace on April 26. Struthers Iron & Steel Co., Youngstown, is operating at 50 percent of capacity, and reports that a complete stoppage is imminent. Youngstown Sheet & Tube will close down two of seven furnaces in Youngstown on May 1, with more to follow shortly; the corporation's six Chicago furnaces will have to be banked if coal is not secured by May 15.

The American Steel & Wire Co. has cut production of its furnaces to 50 percent of capacity.

In the Pittsburgh district, the United States Steel Co. has already closed five large blast furnaces and will be compelled to close others this week. Mackintosh-Hemphill has closed down three blast furnaces, cutting production 75 percent, and Pittsburgh Steel Co. has closed one furnace, cutting production 50 percent. The Oliver Iron & Steel Co. will be forced to suspend production entirely on May 8.

The Allegheny Ludlum Steel Co., largest producer of special steels, is at present rationing its coal supply; a 30-percent cut in production will be necessitated unless additional supplies are procured by May 5.

Weirton Steel, one of the larger units in Little Steel, will be forced to cut production 25 percent unless coke supplies are renewed by May 5.

In the Philadelphia district, the Bethlehem Steel Co. has cut production 20 percent, and estimates that even at this reduced rate supplies are sufficient only for about 3 weeks.

The Allen Wood Iron & Steel Co. has shut down its main blast furnace, cutting production by 600 tons per day. The company estimates that it has about 2 weeks' supply operating at somewhat less than half capacity.

The E. & G. Brooke Iron Works, which already has cut production 25 percent, has only about 5 days' coal left.

In the Rochester district, the Donner-Hanna Co., Buffalo, will cut its coke production in half today. This will necessitate the closing of one furnace at the Republic Steel Co., and two at the Hanna Steel Co., by Wednesday at the latest.

In the Detroit district, the Great Lakes Steel Co. has only about 2 weeks' supply of coke left.

In the South, the principal effect has been felt not by the steel industry so much as by the producers of coke. One major producer of foundry coke has reduced production by one-third due to a scarcity

of coal. This will adversely affect foundries producing castings for national defense.

I now come to power:

The New York State Electric & Gas Co., serving most of south-central New York, has only about 2 weeks' supply of coal left. This means in effect about 1 week's supply, since about a week is required to obtain new supplies in this region.

The Factory Power Co., Cincinnati, supplying a group of key machine-tool plants, has about 2 weeks' coal supply on hand.

The New England Power Co., serving a large industrial area north of Boston, has less than 3 weeks' supply on hand. In this area at least 10 days will be required to secure additional supplies after mining is resumed.

Public Service of Indiana, serving approximately 55 counties in southern and central Indiana, and having some customers in the northern part of the State, also faces a serious shortage. Some \$400,000,000 worth of War Department contracts have been let in Indiana.

The Brooklyn Union Gas Co., supplying a number of vital defense plants in New York City, has only about 3 weeks' coal supply.

Elsewhere, however, utilities appear to have 30 days' supply or better.

The CHAIRMAN. The Architect of the Capitol just informed me this morning that the Capitol can run 2 weeks on its present coal supply. If it takes 10 days to get it, we will probably be out of business in the Capitol.

Mr. McGRADY. Transportation:

From the Chicago district, it is reported that the Southern Railway has 10 days' supply; the Chicago & Eastern Illinois 2 weeks'; the New York Central, 3 weeks'; the Burlington, 3 weeks'; and the Atchison, Topeka & Santa Fe, 17 days'.

The CHAIRMAN. The Southern Railway has, I think, issued orders to lay off 42 trains this week.

Mr. McGRADY. Forty-two trains.

In the Philadelphia district, it is estimated that the railroads there have no more than 2 weeks' coal supply.

General effects: The pinch is gradually being felt in other industries too. The Kelsey-Hayes Wheel Co. in the Detroit ordnance district has only 10 days' supply of coal and may have to curtail production upon important defense subcontracts for wheels, electric brake assemblies, hand brake assemblies, and hub and drum assemblies for gun carriages.

A number of textile manufacturers report that curtailment of production and even shut-downs will be necessitated unless additional coal supplies are secured within the next week. Among these are the Peerless Woolen Mills, Rossville, Ga., holding large quartermaster contracts for suiting and overcoating, and the Renfrew Bleacheries, Traveler's Rest, S. C., holding contracts for more than 4,000,000 yards of various types of cotton cloth.

Several machine tool manufacturers, especially in the New England area, report serious coal shortages. Among these are the Hendey Machine Co., Torrington, Conn., the Bullard Co., Bridgeport, Conn., the New Britain Gridley Machine Co., New Britain, Conn., and the Wright Machine Co., Worcester, Mass.

The situation is particularly acute for these companies since they fear that shut-downs will cause skilled labor to transfer to other industries not dependent upon coal for continued operation.

Gentlemen, I have given you the facts of the situation, facts which are giving the War Department serious concern because they forebode a catastrophic effect upon the industrial mobilization effort.

This may have seemed like a recitation of cold, dry statistics to you. But, gentlemen, you must remember, as we remember at all times, that the industries which I have mentioned as being affected by the coal strike are at the heart and the core of our rearmament program. Anything that cripples the productivity of these industries cripples our national defense.

The CHAIRMAN. Mr. McGrady, I want you to state for the record just what your connections are with the War Department.

Mr. McGRADY. Mr. Chairman, I am in the War Department acting as a consultant to the Secretary of War, and I serve without any salary or recompense of any kind. All of my activities are purely advisory.

The CHAIRMAN. What has been your experience hitherto?

Mr. McGRADY. I might clarify that, if I may, Mr. Chairman.

When I came into the War Department early in December it was impressed upon me very forcibly that the production line of our factories was the life line for the Navy, the Army, and the Government itself. I determined that if production was the life line of the Nation, the Army ought to know every day what was happening to that life line, and so we established a reporting system. We have offices on every construction job in this country and we have offices located in every large plant in this country that has war contracts, and every day these offices make a report to our Department on whether or not everything is moving normally, whether or not there is a threatened strike, and if there is a strike, how many men are involved, the types of material that are being delayed, and the number of man-days lost.

Senator CONNALLY. May I interrupt there? I think it would be well for Mr. McGrady to state his former connections with labor and things of that kind. You were a former Assistant Secretary of Labor, were you not?

Mr. McGRADY. Mr. Senator, I was president of my local union in the International Printing Pressmen's and Assistants' Union; I was legislative agent for the American Federation of Labor in Washington for 18 years. I served as the First Assistant Secretary of Labor for about 3 years.

Senator CONNALLY. I thought that would be helpful, Mr. Chairman.

The CHAIRMAN. Are there any other questions?

Mr. McGRADY. I might say, to give you a little graphic picture outside of this coal situation, what our reports show dealing with Army supplies. This has nothing to do with Navy; I have nothing to do with the building of ships.

The CHAIRMAN. We are going to call on a member of the Navy to tell us about that.

Mr. McGRADY. Yes, sir.

All right; in the month of January 1941, we lost 101,540 man-days; in February 1941, we lost 429,879 man-days; in March 1941, we lost 664,519 man-days; from April 1 through to April 25 we lost 268,269

man-days; making a total since January 1 of 1,464,207 man-days of labor lost on War Department material alone.

Senator BREWSTER. I would like to ask two questions. You must have foreseen this situation arising throughout this last month, have you not, Mr. McGrady?

Mr. McGRADY. Yes, sir.

Senator BREWSTER. And you attended several of the sessions of our committee in the last 2 weeks?

Mr. McGRADY. I believe I attended two, sir.

Senator BREWSTER. And you heard a very much more optimistic picture of the labor problem than is now justified by your figures, did you not?

Mr. McGRADY. I did; and I say again, gentlemen, this is merely a factual statement that the records will back up any time you want any proof of them.

Senator CONNALLY. Mr. McGrady, as I understand it, these man-hours lost were in plants doing contract work for the Army.

Mr. McGRADY. Yes, sir.

Senator CONNALLY. Materials and supplies?

Mr. McGRADY. Yes, sir.

Senator CONNALLY. It doesn't, of course, include anything about the coal strike itself.

Mr. McGRADY. Not at all.

Senator CONNALLY. This is directly in War Department munitions and armament supplies?

Mr. McGRADY. That is correct.

Senator WALLGREN. You mean for the Army alone?

Mr. McGRADY. Yes, sir.

The CHAIRMAN. Admiral Spear.

Mr. McGrady, I will appreciate it if you will remain until this session is over.

Mr. McGRADY. I will be very glad to.

TESTIMONY OF REAR ADMIRAL RAY SPEAR, CHIEF, BUREAU OF SUPPLIES AND ACCOUNTS, U. S. NAVY

The CHAIRMAN. Admiral Spear, will you state for the record your name, rank, and connections, please?

Admiral SPEAR. Ray Spear, rear admiral, Supply Corps, United States Navy; Paymaster General of the Navy and Chief of the Bureau of Supplies and Accounts. That Bureau is the Bureau charged with the procurement of fuel, including coal for the United States Navy.

The CHAIRMAN. You may proceed, Admiral.

INTEREST OF UNITED STATES NAVY IN SETTLEMENT OF SOFT COAL STRIKE

Admiral SPEAR. The Navy's interest in the fuel situation divides itself into two parts—that part that deals with our navy yards, where we are the direct supplier of fuel required by those yards, and of course we have a great interest in fuel needed by industry as a whole, particularly that part of industry engaged on Navy contract work.

Early in March, about the 8th of March, to be exact, the Navy having gone through one of these strikes before, I issued orders to all industrial navy yards to load up with coal, to take all the coal that

they could store conveniently, as I anticipated that perhaps our supplies would be cut off about April 1. I might say, therefore, that the Navy is now living on its fat so far as fuel is concerned, as we have not received any deliveries of coal since approximately April 1.

Mr. Chairman, would you like to have me read into the record the status of coal at our principal navy yards?

The CHAIRMAN. Yes; I would, Admiral.

Senator CONNALLY. Just a moment. If that is private information—

The CHAIRMAN. I think the public is entitled to know what the condition of the national defense program is.

Senator CONNALLY. I am glad for the public knowing it, but I am also concerned about everybody else—Mr. Hitler and Mr. Mussolini—

The CHAIRMAN. I haven't the slightest doubt in the world that Mr. Hitler, Mr. Mussolini, and everybody else in the world that is interested knows more about it than we know.

Admiral SPEAR. Portsmouth, N. H., Navy Yard: We will be very seriously concerned with the fuel situation on May 9.

At Boston, Mass., May 31.

At Newport, R. I., we have sufficient coal to last us until the 7th of June.

At New London, Conn., June 7.

At New York, N. Y., June 15, and I will explain that at New York last week I found 5,000 tons of coal at the Bush Terminal, a company that had just been converted to fuel oil, and I bought that coal.

Philadelphia Navy Yard, May 20.

At Washington, D. C., June 3.

At Indianhead, our powder factory, June 30.

At Norfolk, Va., Naval Supply Depot, July 15; but at the Portsmouth Navy Yard, May 27.

Charleston Navy Yard, May 11.

And at Great Lakes, Ill., July 31.

The CHAIRMAN. Admiral, I would like you to compile for this committee a similar statement to the one which was just read last by Mr. McGrady, on the number of man-hours that have been lost to the naval construction program since the emergency started.

Admiral SPEAR. Well, Mr. Chairman, I can get that information for you, but I have not the data with me. My Bureau is not concerned with that piece of information.

The CHAIRMAN. I am requesting that you get that piece of information for the record.

Admiral SPEAR. Aye, aye, sir.¹

Insofar as our interest in the shortage of fuel existing amongst our navy contractors, the Navy Department has received a number of telegrams from various companies, and if the chairman desires, I will read typical telegrams into the record.

Senator BREWSTER. Have you made inquiry of all your contractors as to the situation?

Admiral SPEAR. Not all our contractors. I have some 25,000 contractors, sir.

Senator BREWSTER. Have you got approximately the principal ones?

¹ The information was subsequently supplied in a letter dated May 2, 1941 and is included in the appendix on p. 710.

Admiral SPEAR. We know in general the situation; yes, sir. We get that from our inspectors of naval material on duty at those plants.

NEW YORK, N. Y.

HON. FRANK KNOX,
Secretary of Navy.

We are confronting reduced-plant operations due to indicated delays in scheduled shipments of materials because of lack of fuel. We greatly regret that this condition will affect delivery millions of dollars defense work principally Navy and maritime equipment.

WORTHINGTON PUMP & MACHINERY CORPORATION,
F. T. FISHWICK, *Vice President.*

From our inspector in the field at Cleveland, Ohio:

SECRETARY NAVY,
Navy Department, Washington, D. C.

Browning Crane & Shovel Co. report lack of coal will cause shut-down of plant 30 April. Company has orders for 38 cranes for national-defense work. Personal inspection confirms situation.

R. P. SCHLABACH,
Inspector of Naval Material.

BROOKLYN, N. Y.

HON. FRANK C. KNOX,
Secretary of Navy, Washington, D. C.

Question of coal shortage rapidly becoming acute with this company. Continued failure to receive coal may embarrass our supply of gas to the Brooklyn Navy Yard, to numbers of defense industries, and to practically all the population of Brooklyn and Queens. Anything you can do to help resume mining on a reasonable and acceptable basis will be greatly appreciated.

THE BROOKLYN UNION GAS CO.,
CLIFFORD E. PAIGE, *President.*

From: Inspector of Naval Material, Pittsburgh.

To: Assistant Secretary of the Navy, Shore Establishments Division (a letter).

1. The following blast furnaces in the Pittsburgh District have been shut down due to coal and coke shortages:

Edgar Thompson Works, Carnegie-Illinois Steel Corporation, one furnace banked.

Carrie Furnace, Carnegie-Illinois Steel Corporation.

Mingo Junction Works, Carnegie-Illinois Steel Corporation.

Pittsburgh Steel Co., Monessen, Pa.

Pittsburgh Steel Co.

Duquesne Works, Carnegie-Illinois Steel Corporation.

Pittsburgh Steel Co.

These are all in the Pittsburgh area.

Another furnace to be banked this week at Pittsburgh Steel unless the situation changes.

R. L. ADAMS,
Inspector, Harrisburg, Pa., April 19.

To: The Bureau of Supplies and Accounts, United States Navy.

This plant is producing approximately 17,000 tons of plates monthly, including contracts for the Army, Navy, British Commission, and other defense projects. Our steel-making and rolling mill operations are entirely dependent upon high volatile gas coal, as the plant is not equipped to burn fuel oil. Our stocks of coal will be completely exhausted in less than 2 weeks. Unless mining operations are resumed during the coming week the plant will be entirely closed down because the plant is 1 week away from the mines in delivery. Am writing more fully.

HENRY S. EVANS,
President, Central Iron & Steel Co.

A telephone call from the inspector of Naval Material to the Bureau of Ordnance on Thursday, April 17:

The inspector of Naval Material at Carnegie-Illinois Steel Co. informed the Bureau of Ordnance that they closed down three blast furnaces this week and would have to close two more over the week end. Their incoming supply of coke is zero. They have on hand 48,000 tons which will run them for 1 month. They figure that if the mines are not open by the 5th of May that they will not be getting coke in sufficient time to continue production of armor and will have to shut down their armor production by as many days as the mines are delayed opening after the 5th of May.

That is my entire statement, Mr. Chairman.

The CHAIRMAN. Are there any questions you want to ask?

Senator CONNALLY. For the operation of naval vessels you use oil, principally, do you not?

Admiral SPEAR. I think we have one very small vessel left that burns coal. We are not concerned regarding coal for vessels. They all burn oil.

Senator CONNALLY. Your interest is from the production end of this problem, the producing of naval materials and naval arms and naval equipment, and for the maintenance of your own naval yards?

Admiral SPEAR. Senator, I have both. I am responsible for fuel both afloat and ashore, and it is principally coal ashore.

Senator CONNALLY. I understand, but your interest in coal is because of the production of war materials and the maintenance of your yards.

Admiral SPEAR. Oh, yes, sir; the ability of our yards to continue not only construction but also repairs to our active ships.

Senator WALLGREN. You haven't touched on other maritime construction at all?

The CHAIRMAN. Not this morning. We will get those facts for the record.

Senator BREWSTER. You have kept this situation before your superior officers through the last 2 months, when you became concerned about it?

Admiral SPEAR. Oh, yes, sir. The Secretary of the Navy has been informed constantly of the situation.

The CHAIRMAN. Are there any other questions?

(The witness, Admiral Spear, was excused.)

The CHAIRMAN. Is Mr. O'Neill here, to represent the Northern Coal Operators?

TESTIMONY OF CHARLES O'NEILL, PRESIDENT, UNITED EASTERN COAL SALES CORPORATION, NEW YORK CITY

The CHAIRMAN. Do you desire to speak for the Northern Operators, Mr. O'Neill?

Mr. O'Neill. Yes, sir.

The CHAIRMAN. Will you state for the record your name and position and connection?

Mr. O'NEILL. My name is Charles O'Neill. My business address is 420 Lexington Avenue, New York City. My home address is New Rochelle, Westchester County, in that State. I am president of the United Eastern Coal Sales Corporation and identified with a number of producing companies. I am also president of the Central

Pennsylvania Coal Producers Association, one of the organizations which is in this conference for the purpose of making a wage agreement with its employees. I have been identified with the mining industry for about 41 years.

The CHAIRMAN. Mr. O'Neill, I want you to state in as short a period of time as possible, for we are pressed for time, the attitude of the northern operators toward getting coal for the use of the people and the Government of the United States.

ATTITUDE OF NORTHERN COAL OPERATORS TOWARD SETTLEMENT OF STRIKE

Mr. O'NEILL. The Northern Coal Operators, and by that I mean those mines located in Pennsylvania, Ohio, the northern portion of West Virginia, and producing in 1940 roughly 152,000,000 tons, have reached an agreement with the United Mine Workers of America.

The CHAIRMAN. What is that agreement?

Mr. O'NEILL. What is it?

The CHAIRMAN. What is that agreement?

Mr. O'NEILL. It is an agreement on wages, hours, and working conditions for a period of 2 years, with a basic inside day rate, which is the rate from which all other rates in the contract stem, of \$7 per day of 7 hours.

The CHAIRMAN. Are you ready to go to producing coal now?

Mr. O'NEILL. The northern coal operators initialed an agreement with the United Mine Workers of America on the 21st of April.

The CHAIRMAN. Are you ready to go to work now? That is what I asked you.

Mr. O'NEILL. We have been ready to go to work since April 21.

The CHAIRMAN. All right; proceed.

Senator CONNALLY. Why don't you go to work?

Mr. O'NEILL. Why, Senator, there are a lot of people involved in this beside us. The United Mine Workers—

Senator CONNALLY. You said you made an agreement with your employees on the 21st, the northern operators and the employees. If you have agreed, what is keeping you from going on producing coal?

Mr. O'NEILL. It will take a little time to tell that story, but I may as well inform you, Senator.

Senator CONNALLY. We will be glad to hear you.

Mr. O'NEILL. The parties to the present negotiations in New York were the mine workers and the operators of the Appalachian area. That area includes, as well as the territory that I have named here as being in agreement, the mines in the southern portion of West Virginia, Virginia, eastern Kentucky and eastern Tennessee. This conference, called the Appalachian Conference, has been in existence since October 1, 1933, when an agreement between the mine workers and operators in that area was first consummated. This is the sixth meeting of that body.

During the proceedings of this conference that portion of the conference represented by the southern coal operators walked out and came to Washington during our negotiations, and when this agreement was being reached the southern operators, after leaving, came to Washington after receipt of a request from the President of the United States. That request is known to all of you. The President,

on April 23 I believe it was, asked that those mine workers and operators who were in agreement return to work under the terms and conditions of that agreement; second, that those mine workers and operators who were not in agreement return to work, continue their negotiations, and whatever agreement was finally consummated between those mine workers and the operators would be retroactive as of the date mining was resumed.

To that proposal the northern operators said "Yes." My understanding is that to that proposal the southern operators said "No." To that proposal the United Mine Workers said "Yes." Then the southern coal operators, the so-called southern coal operators, Senator—I never knew West Virginia was a Southern State before, but I am learning a little about geography I didn't know—refused that proposal.

Now, when they came out of the conference, or walked out of it, they came to Washington. They planned a campaign to have the Secretary of Labor certify this case to the National Mediation Board. My suggestion was that the certification of that case to the Board might further delay the resumption of operations. However, the southern operators were successful in getting this case certified to the Mediation Board, and thereupon we were asked to come to Washington. Again we spent 3 days with the Mediation Board, night and day, and to the proposal made by the National Mediation Board yesterday the United Mine Workers said "Yes," the northern coal operators said "Yes," and the so-called southern branch of the industry said "No."

Senator HATCH. Do you have that proposal with you?

Mr. O'NEILL. I have a copy of this proposal here. I have some memoranda on it. Here is a copy of the proposal, Senator, contained in this.

Senator HATCH. Let it be inserted in the record at this point.

The CHAIRMAN. Summarize its nature for us. We will have this inserted in the record.

(The document referred to was marked "Exhibit No. 40" and is included in the appendix on p. 683.)

Mr. O'NEILL. The nature of this proposal was that the National Mediation Board had explored at length the matters in controversy and stated that on April 21 the President had recommended just what I have told you and which is contained therein, that throughout the discussion the principal point of controversy, and the one which in the judgment of the panel had prevented an agreement, was the matter of the differential in the daily wage rate between the northern mines that I have described for you, and that part of these mines that is described as southern, and that, therefore, the formula that they offered, which was, namely, \$1 a day, finally, yesterday, increase in the wages in the South, was not as good a formula for the settlement of this proposition as that made by the President. In other words, they said, after the most careful consideration, "The panel is unable to recommend this offer as a substitute for the President's proposal. The panel, therefore, unanimously recommends that the President's proposal, as made on April 21, as quoted above, be accepted today by the miners and all operators in order that production of coal essential to the national defense may begin on Monday, April 28, 1941.

Now, to that request the northern operators said "Yes," and the United Mine Workers said "Yes," and again the southern coal operators said "No."

The position of the United Mine Workers can be stated by them. The position of the northern coal operators has been that they are in agreement, they are willing to produce coal; they believe, however, and they do know, however, that the situation in this country today is such, and it has been portrayed to you in detail here this morning more graphically than I knew it to be, that it is going to be necessary that the mines in all of this Nation return to work if we don't reach a catastrophe in this Nation within the next 2 weeks.

In other words, the return of the northern mines now, even though we were willing to do it, will not fill the necessities of this Nation. The thing has gone too far and the requirement for coal is too great.

Senator CONNALLY. May I ask you a question? Is there a differential now between the wages in the so-called southern area and the northern area?

Mr. O'NEILL. Yes, Senator, there is a differential that has been in existence since 1933 of 40 cents per day, and other differentials of a much greater amount of money.

Senator CONNALLY. This proposed agreement, then, of the northerners, would wipe out that differential and increase the wages of the northern miners \$1 a day and the southern miners \$1.40 a day; is that right?

Mr. O'NEILL. Yes; but at the end of that time we would both be paying the same wages, \$7 a day.

Senator CONNALLY. I understand that.

Mr. O'NEILL. And that is the important point in this.

Senator CONNALLY. Is there a freight differential also involved in this quarrel? I don't care at the moment for the detail.

Mr. O'NEILL. There is no freight differential involved in this quarrel. There is none. The application of the Guffey Coal Act has wiped out the value and the amount of the freight-rate differentials in common consuming market areas.

Now, in order to explain that to you, the rate from the Northern mines to Washington is 37½ cents a ton less than it is from the mines of southern West Virginia. Under the application of the Guffey Coal Act the price for commercial coal, delivered in the city of Washington, is 1 cent less on southern coal than it is on northern coal for commercial purposes. In other words, we not only lose our differential, but we lost another cent in the adjustment. How the Division reached that unhappy conclusion I am unable to say, but that is one case where the last shall be first, and in that case of Washington, which is typical of what I mean when I say the freight rate differentials do not enter into this, it is that it has been entirely wiped out by the application of the minimum price provisions of the Guffey Coal Act.

Senator HATCH. Right there, would the application of the Guffey Coal Act, in fixing the minimum price provisions as relates to the differential in wages, also take care of the situation eventually?

Mr. O'NEILL. Oh, no, oh, no; I don't think so. I do not think so. The Guffey Coal Act has nothing to do with wages, Senator. The Guffey Coal Act has nothing to do with wages.

Senator HATCH. They do apply the Guffey Coal Act in fixing the minimum cost of production.

Mr. O'NEILL. You mean the weighted average cost.

Senator HATCH. Yes.

Mr. O'NEILL. That is the basis of all prices. That is, the weighted average minimum cost of all of the ascertained costs in the particular price area. This Appalachian Wage Conference happens to be co-terminous with the price area No. 1 in the Guffey Coal Act.

The CHAIRMAN. That includes both the northern and southern operators?

Mr. O'NEILL. That is right.

Senator BALL. How about that freight differential of 37½ cents? Isn't that equalized by lowering the mine mouth price for the southern, and possibly increasing it for the northern?

Mr. O'NEILL. Well, I think that works both ways, Senator. It works this way: The average cost in minimum price area No. 1, and that is what we are talking about here, is \$2.12. That is the official cost found by the Division. Then all prices were made in all market areas, to, in the main and as nearly as may be, as the language of the act says, realize on all sales based upon the distribution figures of the area, \$2.12, and that means an adjustment upward here, and in order to meet freight rates an adjustment downward there.

Now, when we come to freight rates, let us understand this, that the freight-rate differentials that the South talk about are the freight-rate differentials in that little area lying east of Detroit, Mich. and the upper reaches of the Great Lakes, the Middle Atlantic, and the New England States. It is a fact that wherever the South has the same freight rate, or within a reasonable amount of the same freight rate, as the North, the North does not ship any coal. While the South ships a great deal of coal to New York City, for instance, the North never ships a car of coal to Richmond, Va., because there is both a cost differential and a quality differential in favor of southern coal, and the greater portion of the coal in the United States goes into areas—a great portion of the coal of the United States goes into areas that the South may reach on equal or lower freight rates that no northern coal ever reaches, so that these freight-rate differentials that they are talking about are confined to that small portion of the United States east of Chicago and including north of the Ohio River, and the Potomac yards.

Senator CONNALLY. It may be small geographically, but industrially and from a consuming standpoint it is a tremendous area.

Mr. O'NEILL. There is no question about that. It is the big consuming market.

Senator CONNALLY. It is not such a little spot after all. You said "little area," as if it were just a—

Mr. O'NEILL. Oh, no; but what I am saying is, that is the only area of competition as far as the North and the South are concerned, because it is the only area where the North and South can compete, where the North can begin to compete with them.

Senator BREWSTER. What percentage of the coal is used in that area?

Mr. O'NEILL. I don't know whether I can give you a fair answer.

Senator BREWSTER. Would it be 75 percent or so?

Mr. O'NEILL. I wouldn't say 75; I would say 65 or 60.

Senator BREWSTER. You say you have initialed an agreement with the mine workers. Why has there not been resumption of work?

Mr. O'NEILL. I am trying to explain, Senator, that we have here an organized body, and one-half of that body won't do anything. It won't go to work.

Senator BREWSTER. You say you have a body. By initialing an agreement with the mine workers you have evidently recognized yourselves as a distinct entity.

Mr. O'NEILL. Oh, no; this Appalachian Joint Wage Conference has not been dissolved at all. Our southern friends claim they dissolved it when they walked out. That has been habitual with the southern boys. There has been from one to seven of them walk out of every conference.

Senator BREWSTER. Who is the agreement with, Mr. O'Neill, then?

Mr. O'NEILL. The agreement is between United Mine Workers of America and the northern districts thus far that I have named.

Senator BREWSTER. And you have made an agreement?

Mr. O'NEILL. That is right.

Senator BREWSTER. Is there any reason why you cannot resume operations under your agreement?

Mr. O'NEILL. So far as the northern operators are concerned, there is none.

Senator BREWSTER. You are perfectly ready to return to work now?

Mr. O'NEILL. Oh, yes.

Senator BREWSTER. Under the agreement you have made?

Mr. O'NEILL. That is right.

Senator BREWSTER. I don't see that there is any problem as far as you are concerned.

Mr. O'NEILL. There isn't any problem as far as we are concerned at all.

Senator BREWSTER. That is, the entire responsibility for the failure to resume is on the mine workers?

Mr. O'NEILL. I am not sure of that. I would say the entire responsibility not to resume work here is on the people who have rejected the President's proposal and who rejected the National Mediation Board's proposal after they had asked for it to be certified by the National Mediation Board. That is who I say has the responsibility.

Senator BREWSTER. I didn't mean to indicate the final responsibility. I meant in the beginning negotiations between you and the mine workers, that you have arrived at an agreement and you are ready to go to work?

Mr. O'NEILL. That is right.

Senator BREWSTER. And the mine workers for reasons which I assume Mr. Lewis will state, are not ready to go to work under that agreement.

Mr. O'NEILL. Well, Mr. Lewis will have to make his own replies as to why.

The CHAIRMAN. We will call Mr. Lewis, and he will speak for the mine workers.

Senator BREWSTER. You do not insist on any stipulation in your so-called contract which would make impossible the immediate resumption of operations as far as the northern operators are concerned?

Mr. O'NEILL. Not at all.

The CHAIRMAN. Even if the southerners don't go to work, is that true?

Mr. O'NEILL. No.

Senator CONNALLY. Is one of the elements in your willingness to go to work and adjust this matter a requirement that the differential for the southerners be wiped out? Is that why the northerners are not going to work now?

Mr. O'NEILL. Oh, I will tell you, Senator, the agreement is constructed on a basic inside day rate of \$7, and that would automatically wipe out a differential that is not justifiable and is particularly not justifiable when the freight-rate differentials have been completely wiped out. We are willing to pay exactly the same amount of money for a day's work as the South, but not any more.

Senator CONNALLY. Exactly. So you say you are ready to go to work, but you are not ready to go to work. Let me ask you a question. You are not willing to go to work unless the southerners agree, or somebody agrees, to make them pay the same wages that you are paying in the northern area. Isn't that true?

Mr. O'NEILL. We are willing to go to work under the agreement we have with the United Mine Workers of America.

Senator CONNALLY. I am not talking about that. You just said you were ready to go to work and you had an agreement with your miners. Now if you and your miners in the northern area have reached an agreement and you are ready to go to work, what is keeping you from going to work?

Mr. O'NEILL. What is keeping us?

Senator CONNALLY. That is it. What is keeping you?

Mr. O'NEILL. The mine workers and ourselves can't get to work.

Senator CONNALLY. Why?

Mr. O'NEILL. I would say, first, the mine workers have been unwilling to go to work, and we have been trying to get an agreement with the South. Then, when the President's proposal was made, the mine workers and the northern operators accepted that. As they still refused to go along, then we were certified to the National Mediation Board.

Senator CONNALLY. I know all that. You have gone over that repeatedly.

Mr. O'NEILL. Now, we are here today——

Senator CONNALLY (interposing). You have gone over that repeatedly. You have repeatedly said that you and your miners have reached an agreement.

Mr. O'NEILL. That is right.

Senator CONNALLY. And that you are ready to go to work.

Mr. O'NEILL. That is right.

Senator CONNALLY. Now, what is keeping you from going to work? The mine workers won't work, is that it?

Mr. O'NEILL. That is right.

Senator CONNALLY. All right, say so. Your miners, then, haven't reached an agreement with you to go to work. Unless somebody reaches an agreement——

Mr. O'NEILL (interposing). They will have to explain this. We have an agreement here. We are ready to go to work under it.

Senator CONNALLY. You don't put any condition in your willingness to go to work as to what they do in the southern area?

Mr. O'NEILL. We haven't any condition at all except the terms of the agreement that we have with the United Mine Workers.

Senator CONNALLY. What is that agreement, that you pay the same wages all over the whole area?

Mr. O'NEILL. That is right.

Senator CONNALLY. You are not ready to go to work at all until the whole problem is settled in the South and North both—

Mr. O'NEILL (interposing). We are ready to go to work under the Senator's proposal under the terms of this agreement. We are ready to go to work today. That is where we are.

Senator BREWSTER. What is the clause in the agreement providing about the elimination of this differential? Can you give us that?

Mr. O'NEILL. I don't know whether there is any clause in the agreement that eliminates the differential as such. It prescribes a set of basic rates, and the automatic effect of those basic rates would be to wipe out a 40-cent differential.

Senator BREWSTER. Does it provide that the agreement will not prevail if any more favorable arrangement is given in any other area?

Mr. O'NEILL. Oh, no; it provides this, and it is a common standard provision in these agreements, except as to one amendment which was proposed by the mine workers. It does provide that if an agreement on any more favorable terms is granted to any person, association, or company in the area, that a like concession will be granted to the northern operators.

Senator BREWSTER. What you might call a most-favored-nation clause?

Mr. O'NEILL. That is how we do refer to it.

Senator BREWSTER. Has that been in heretofore?

Mr. O'NEILL. That has never been in the Appalachian region, but it has been carried in all the district agreements underlying. In other words, Senator, there are 23 mining-district contracts underlying the Appalachian agreement. The Appalachian agreement is simply a basic agreement.

Senator BREWSTER. In other words, you are granting a dollar a day increase, which makes it contingent on the southerners getting the same.

Senator BALL. You should have said contingent on their getting \$1.40.

Mr. O'NEILL. If the southern employees can negotiate a better agreement, why we get the benefit of it. That is right. That is a very common practice.

Senator BREWSTER. And you would not feel warranted in having a stipulation that no other section should be put in a more favorable position than heretofore prevailed?

Mr. O'NEILL. Why should I. I will answer you categorically. I do not believe any section should be put in a more favorable position than I am.

Senator BREWSTER. And you feel that right now is a good time to take advantage of this crisis to wipe out a differential that has long prevailed.

Mr. O'NEILL. Oh, no, no, no. I will give you some of that history, too.

Senator Brewster. It is very difficult to rationalize this thing in any other way.

Mr. O'NEILL. I know——

The CHAIRMAN (interposing). I don't think the general public have it rationalized in any other way, that everybody has taken advantage of this condition to put the country in a hole. Proceed.

Mr. O'NEILL. Senator, so you will understand this differential question, that has never been agreed to by the North. We have been compelled, however, by economic conditions which are on the other side of the ledger to accept it and have protested it from time to time. We have tried to work out a reasonable settlement of this. In the first place, let me tell you that this differential of 40 cents only wipes out a small portion of the differentials. There are over 15 cents per ton in tonnage differentials which are not wiped out by that agreement. There are also concessions for higher yardage and dead work rates, as they are called in the North. There are only about 3½ cents out of 20 that are wiped out in these schedules.

The CHAIRMAN. But you are not willing even to let that——

Mr. O'NEILL. You asked a question, and I want to answer it.

The CHAIRMAN. Won't you answer that question.

Mr. O'NEILL. Not willing what?

The CHAIRMAN. Not willing to let that 3½ cents continue, but willing, rather, to paralyze our defense effort.

Mr. O'NEILL. I am not trying to paralyze. I am willing to go to work.

The CHAIRMAN. Will you answer that?

Mr. O'NEILL. I am not willing to paralyze the national defense effort; no.

The CHAIRMAN. Although you say that the only difference involved is 3½ cents?

Mr. O'NEILL. That is right.

The CHAIRMAN. And for that 3½ cents you are willing to paralyze our industry?

Mr. O'NEILL. No, sir. I am satisfied for the southerners to go to work without any adjustment under the present proposal.

The CHAIRMAN. We are not asking about the southerners; we are asking about you.

Mr. O'NEILL. I am willing to go to work tomorrow.

The CHAIRMAN. Without the 3½ cents?

Mr. O'NEILL. No; with the contract I have.

The CHAIRMAN. You are not willing unless you get your 3½ cents to go to work. That is your plain statement, isn't it?

Mr. O'NEILL. No; that is not my plain statement. That is not my plain statement. My plain statement is I will go to work under the agreement.

Senator HATCH. Would you be willing to go to work tomorrow, forgetting all about this agreement, wipe it out entirely, under the same provisions you say would be fair for the southern men; that is to continue negotiations and let them be retroactive, whatever agreement is reached, to the time you resume production, or do you want to hold on to your contract, this agreement you have now?

Mr. O'NEILL. I think as a matter of expediency, it would be foolish to start these negotiations all over, but I am not sure whether the northern operators would take that proposal or not. I think they would be very foolish to do it.

Senator HATCH. If it is fair for the southern operators, it would be fair for the northern operators.

Mr. O'NEILL. They have to judge for themselves. I can't make judgment for them.

Senator HATCH. I thought you did pass judgment on them this morning.

Mr. O'NEILL. I said the responsibility for the tie-up was theirs, not mine.

Senator HATCH. I am not so sure about that. All right, let me ask you this. Mr. Hillman said to this committee just last week that the mine workers themselves made this identical proposition to the operators more than 3 weeks before the strike was called, and it was rejected by the operators.¹

Mr. O'NEILL. Unanimously, unanimously; yes, sir; the North and South; but, however, we did try to achieve an agreement and did——

Senator HATCH (interposing). They did make you that proposition, did they?

Mr. O'NEILL. Oh, yes; Mr. Lewis made that proposition on March 13.

Senator HATCH. If that proposition——

Mr. O'NEILL (interposing). Two days after the conference began, and it was the unanimous decision of the operators in that meeting that there should not be a retroactive agreement, but that we should try and proceed to drive into an agreement.

Senator HATCH. But if that proposition had been accepted, the production of coal would have continued right along, and we wouldn't have had this deplorable story that was told to us this morning. Is that right?

Mr. O'NEILL. If it had been agreed to—I say it was unanimously disagreed to by the operators, unanimously. There was no difference of opinion on that.

Now, as to this differential question, we have tried to get this settled here before. We had a very comprehensive agreement in 1935 providing for an adjustment of these differentials, and the districts that were especially preferred ran out on their agreement and refused to furnish the testimony. This differential question has been before each of the conferences since 1933. This is only a very small adjustment of it, but it does recognize this principle, that with the elimination of freight-rate differentials, the daily wage in the mines ought to be the same in the same competitive area.

Senator BREWSTER. You realize that when you emphasize, Mr. O'Neill, the smallness of the difference, that cuts two ways, that you are contending for a comparatively minor matter exactly as I presume you suggest the southern operators are, that it is a rather minor matter that divides you.

Mr. O'NEILL. Oh, Senator, I have this to say about that, that my thought is that the differentials ought to be eliminated in their entirety.

Senator BREWSTER. Although it only represents 3½ cents a ton?

Mr. O'NEILL. That isn't the entirety of it; that is about 18 percent of it.

Senator BREWSTER. I thought you were emphasizing that that was all that was involved.

¹ Mr. Hillman's testimony appears in Hearings, Part 1, pp. 119-158.

Mr. O'NEILL. That is the cost proportion that is eliminated.

Senator BREWSTER. So that is really the bone of contention.

Mr. O'NEILL. No bone of contention with me.

Senator BREWSTER. I find it very difficult to follow you. There seems to be a bone of contention somewhere around here that is holding this thing up.

The CHAIRMAN. We are going to find what that bone of contention is before we get through. That is the reason we are having this hearing.

Mr. O'NEILL. We have an agreement, and we are willing to go to work on it. It has been my position throughout that that is our job. That is what the country needs.

Senator BREWSTER. Would you be willing to leave the determination of any differential that should continue to be the determination of the governmental body charged with determining cost?

Mr. O'NEILL. Senator, I am going to file here an agreement made to do just that thing in 1935, which was repudiated by the southern operators.

(The agreement referred to was marked "Exhibit No. 41" and is included in the appendix on p. 684.)

Senator BREWSTER. I am asking whether you do it now.

Mr. O'NEILL. My answer is it can't be done, because you can't get the cooperation and arbitration of differentials such as this is an interminable job.

Senator BREWSTER. Your answer is——

Mr. O'NEILL (interposing). My answer is no.

Senator BREWSTER. Even though a Government agency should indicate that it would be able to arrive at an approximate figure of equity in a national crisis?

Mr. O'NEILL. Well, I haven't seen any proposal made by Government that would set down a line of testimony or factual presentation or limitation that these things can be fairly considered by. We tried it once, as I say, and it was repudiated by the preferred——

Senator BREWSTER (interposing). You say now it is impossible, although 5 years ago, you say, you yourself proposed it. Now why are you rejecting today what you urged 5 years ago?

Mr. O'NEILL. I don't object to it. I have made an agreement today which is a very different circumstance, a very different circumstance.

Senator BREWSTER. Your position today is different from what it was in 1935?

Mr. O'NEILL. Oh, yes. My position is different in this sense, that a part of the differentials that we were trying to adjust in 1935 and which were repudiated by part of the operators in the South, and enjoyed the greatest amount of it, has now been negotiated out of existence.

Senator BREWSTER. Because you have arrived at this agreement eliminating the differentials, you are no longer willing to submit either to arbitration or to Governmental determination of whether or not such a differential is warranted. Is that a fair statement?

Mr. O'NEILL. I don't think it is a fair statement. I don't think it is a fair question. However, we say a burnt child dreads fire. We tried that once.

Senator BREWSTER. You urged it once; now you say it is unfair.

Mr. O'NEILL. I didn't say it was unfair.

Senator BREWSTER. You said it was impossible.

Mr. O'NEILL. It is impossible.

Senator BREWSTER. Although you urged it in 1935.

Mr. O'NEILL. Yes; and I found out that it was impossible in '35.

Senator BREWSTER. You didn't try it, then?

Mr. O'NEILL. We didn't.

Senator BREWSTER. You said they refused it.

Mr. O'NEILL. What we did do, if you want the details of it——

Senator BREWSTER (interposing). I don't know that that is necessary.

Mr. O'NEILL. We did go through all the motions after assembling evidence and data to be presented to a commission. We had provided that it would be a prima facie case against any district that didn't provide evidence and cooperate with the commission, and four of the districts that did not file and had a prima facie case against them believed that economic conditions were such the United Mine Workers could not enforce it anyhow, and the United Mine Workers, I think—they will have to answer that question—dropped it because they couldn't enforce it.

Senator BREWSTER. Well, your feeling today, then, is that it would be impractical to determine any governmental agency, whether or not any portion of this differential was now justified?

Mr. O'NEILL. This 40 cents?

Senator BREWSTER. Yes.

Mr. O'NEILL. I think it could be done. I think it is an impracticable proposition at this time. I think it is negotiated out of existence and should be accepted as such by the southern coal operators, and they should accept that small portion of it. I think that the whole situation that has been developed here has been brought about by a series of abuses that go to competitive relationships, and it is only a small portion of the total. The United Mine Workers, however, is the one who said finally that we will settle on the differential question for the elimination of this 40 cents, and they dropped the tonnage differentials, believe you me, Senator, I didn't.

Senator BREWSTER. I appreciate your statement, Mr. O'Neill.

Senator MEAD. For my own information, Mr. O'Neill, I understand the United Mine Workers and the northern operators, as well as the United Mine Workers and the southern operators, got together to initiate a new contract. In those proceedings you agreed, and the southern operators disagreed, and they urged the Government to step in and consider the controversy.

Mr. O'NEILL. That is right.

Senator MEAD. Now, you are still in agreement based upon your original contract, as I understand your testimony. You are still in an agreement based upon the President's program.

Mr. O'Neill. That is right.

Senator MEAD. That the southern operators are in disagreement in that they have not arrived at a contract, and they have rejected the recommendation of the Government that they urged them to step in and take part in this controversy. They have rejected that proposal of the President.

Mr. O'NEILL. That is right.

Senator MEAD. Now, as I understand it, the Guffey Coal Act has in its application eliminated to a considerable degree the differential so far as production cost itself and transportation charges are concerned.

Mr. O'NEILL. That is true.

Senator MEAD. Therefore, there is only the competition of quality, which is an advantage to the southern producers.

Mr. O'NEILL. That is right.

Senator MEAD. All right, now, the problem therefore seems to be to get these recalcitrant operators back on the job.

Mr. O'NEILL. That is my judgment.

Senator MEAD. You are willing, and you have had an agreement with the United Mine Workers, and they agreed to that agreement. Now why wouldn't it—this is just a thought that I have—I have always felt that the miners of this country had been more or less exploited and that we ought to show a great sympathy for any opportunity that presents itself to improve their condition—why wouldn't it be a good idea for the northern mines to open up, take advantage of this upsurge in the market, and in that way discipline them and perhaps bring them to their senses much quicker than we would if we continued this stalemate?

Mr. O'NEILL. I would say so far as the northern coal operators are concerned, they have no objection to that.

Senator MEAD. I was just wondering if that wouldn't bring them to their senses, if that is the need, much quicker than preventing the filling of the pending orders.

Mr. O'NEILL. I don't know what will bring a Pennsylvanian who becomes a coal operator in West Virginia to his senses.

Senator MEAD. I am just trying to make a suggestion that might lead to solution of the problem.

The CHAIRMAN. Any other questions?

Senator MEAD. That is all. [Applause.]

The CHAIRMAN. The room will be cleared if that procedure happens again. We are not here for applause.

The representative of the southern coal operators.

TESTIMONY OF L. T. PUTMAN, REPRESENTING THE SOUTHERN COAL OPERATORS

Mr. PUTMAN. I am here as a spokesman for the southern operators.

The CHAIRMAN. Are you one of those Pennsylvanians who went to West Virginia?

Mr. PUTMAN. No, sir; I was born in Missouri and raised there.

The CHAIRMAN. Then you have to be shown in that case.

Mr. PUTMAN. Yes, sir; I have to be shown.

The CHAIRMAN. Proceed, I don't want a speech. I want the facts, and I want them as shortly and as succinctly as you can put them in the record. We don't want any speeches; we want facts.

POSITION OF SOUTHERN COAL OPERATORS REGARDING STRIKE

Mr. PUTMAN. Senator, I will attempt to do just that. I have no prepared statement. I want to give you such facts as I give you just from my knowledge of the situation as it exists.

The CHAIRMAN. That is what we want.

Mr. PUTMAN. In 1933 under the general guidance of the N. R. A. and due to the fact that all the coal mines in the country had become unionized, we entered into a contract—all of the operators in the Appalachian area, practically—with the United Mine Workers of America. Certain rather fundamental things were set up in that contract which we thought at the time were not exactly as they should have been, and in that I refer particularly to the question of differentials. But 40 cents was set up as a proper differential between North and South. There are many supporting reasons for that, but I take it the principal reason was the operation of freight rates. They were definitely against the South, at that time, and they still are. We asked for more than 40 cents, and I say again that that was finally arrived at, and it has continued through since that time.

We negotiated another contract in 1934, and the same differential was written into it and agreed upon by northern operators and by southern operators and by the United Mine Workers of America.

The CHAIRMAN. Was this differential set up because the southern miners were supposed to be unable to mine as much coal per man as the northerners?

Mr. PUTMAN. No, it was not. I say there are many supporting reasons for it, but principal among them I should say was the prevailing detrimental operation of freight rates against us.

The CHAIRMAN. Is it a fact that the southerners mine just as much coal per man as the northerners?

Mr. PUTMAN. As to total production per man, I should say yes, they do.

The CHAIRMAN. Proceed.

Mr. PUTMAN. Now, another contract was negotiated in 1934, another in 1935, another in 1937, and another in 1939, which continued regularly and without interruption to recognize that 40 cents differential. From time to time there were disputes as to piecework or tonnage differentials, both in the North and in the South. For one reason or another, due to natural conditions, principally and generally, tonnage rates are set up differently in the different districts, but the 40-cent North and South differential continued to be recognized.

Now, in 1941, on March 11, or prior to that, I may say, there was general agreement, as I understood it and as I still understand it, between the operators in the South, first, and later in the North, in a joint meeting of northern and southern operators in the Biltmore Hotel, in New York, that the question of differentials, as far as the operators were concerned, would not be pursued in the coming conference. When the conference convened, we had Mr. Lewis' demands, many in number, but among them was the perennial demand of the elimination of all inequitable differentials. We didn't take it seriously; neither, I think, did the northern operators, and we didn't think that the mine workers took it seriously, because it was always there. We subbed down to a committee of four on a side shortly after starting our negotiations, and nothing was said for some time about differentials. We didn't make a lot of progress, I thought, however. Finally, the Ways and Means Committee of the House saw fit to conduct some investigations preliminary to the reenactment of the Guffey law, and that was so far as I could see, as a member of that small committee,

the bomb which blew open the whole proposition of differentials. It was indicated, as I understand it—and I am not too familiar with those investigations—that it might be in the interest of the general good to divide price area No. 1 into two sections, the southern and the northern section, putting Pennsylvania in a section of its own. At any rate, that seemed to be the thing which tore open the question of differentials, because it was asserted that if that were done, it would make the sale price in the northern districts higher and allow the southern districts to sell at lower prices, thus acting to let the South in on markets which it couldn't then get in on.

The CHAIRMAN. Then this is a controversy not between labor and operators, but between operators, and that is all that is holding up the production of coal. Is that right?

Mr. PUTMAN. It appears to be pretty largely, so far as they are concerned, Senator, a question of an argument between operators.

The CHAIRMAN. Why can't the operators get together and produce coal? That is all we want to know.

Mr. PUTMAN. I will attempt to tell you that, sir.

The CHAIRMAN. I want you to tell me that. We are going to find out before we get through why you can't produce coal.

Mr. PUTMAN. I am willing to tell you very soon.

The CHAIRMAN. Proceed.

Mr. PUTMAN. It was finally put up to us definitely and in no uncertain terms that when we signed a new agreement, no matter how soon or how late, it would eliminate the 40 cents North-South differential. They thought that then was the propitious time to make that sort of demand, evidently, or they would not have made it.

Senator BALL. Who put it up to you that way?

Mr. PUTMAN. The United Mine Workers of America told us definitely that when we signed a new contract, it would carry with it the complete elimination of that 40-cent North and South differential, and after the matter was put up to us in that form by the United Mine Workers, their demand was supported by the northern operators.

Now, our negotiations dragged on until finally we were invited out of the conference, not only once, but many times.

The CHAIRMAN. Mr. O'Neill said you left the conference.

Mr. PUTMAN. We, I assert, were invited out not only once, but probably 50 times, and we were told in no uncertain terms that the northern operators and the United Mine Workers of America were then and there in agreement and that if we would get out of the way, they could proceed to complete a contract and give the country the coal that it needed. After having that proposition put to us, I imagine that at least 50 times, we said, "All right, then, we will get out," and we gave written notice to that small subcommittee, to Mr. John L. Lewis, to the Secretary of Labor, and to the President of the United States as to what we were doing, and we called their attention definitely at that time, which was on the 11th of April, to the urgent need for coal and to the acute situation which was building up, and said to them that we thought it was serious and very serious; and we did, then and there, start to ask that our case be taken before the Mediation Board. We said to them—and I may say before leaving, I made to that subcommittee, on the 3d day of April, a proposal which would give the mine workers 60 cents a day increase everywhere, and properly related increases on tonnage and piece work, and that the

negotiations should continue without interruption and without prejudice to any element in that conference, because of the acceptance of that resolution.

I was told that it was a puny offer and wasn't even worthy of consideration, and I take it no serious consideration was given it.

Now, we got out of that conference because we saw we were unable to get a contract there. We thought if we got out of the conference, we might get it somewhere. As to where or how, we didn't know, but we had been told by those who sat in the conference with us there was no chance of getting an agreement as long as we sat there and finally and definitely refused to have a differential in our favor wiped out. We couldn't accept that.

We don't admit in any sense that the Guffey law or anything else, as I see it, that could be legislated, wipes out all competitive relationship ideas of the past and fixes it in any other way except this; so far as the coal business is concerned, a customer must pay the price f. o. b. the cars at the mine, the consumer, customer I say, plus the cost of transportation. Now, if the combination of those two things is such that it makes a comparable grade of southern coal higher in cost to the customer at destination than the northern coal is, whether you have a Guffey law or whether you don't have it, whether you have any law or you don't have it, the customer is going to buy the most B. t. u.'s that he can get for his money.

Senator WALLGREN. It isn't a question of competition now, though, is it today?

Mr. PUTMAN. It wasn't a question of competition.

Senator WALLGREN. You could sell all your output?

Mr. PUTMAN. I imagine we could.

The CHAIRMAN. And for 3½ cents, somebody is holding up the whole program.

Mr. PUTMAN. No, sir, no, sir. As far as we are concerned——

The CHAIRMAN (interposing). That is what the other fellow said. Now tell me why you are not.

Mr. PUTMAN. Not so far as the South is concerned. The resumption of operations under a contract so far as the South is concerned is this, the contract which was written for us in New York after we left there.

The CHAIRMAN. Why didn't you accept the President's proposal, then?

Mr. PUTMAN. The President's proposal is on the retroactive basis; the only thing that was objectionable to us in that was the retroactive basis, and we have made several proposals since that, trying to get away from that.

The CHAIRMAN. Why don't you accept the Mediation Board's proposal?

Mr. PUTMAN. The reason for not accepting it was this: We would have no way of recovering the amount of increase in labor which would be paid under this contract from our customers, and I assert, sir, that the increase in cost would be so great that the South could not operate; we could not absorb it, and if I came right across the table here and told you today that we would accept it and that we would perform under it, I would just be a cheap common liar, when I know we can't do it.

The CHAIRMAN. For 3½ cents a ton?

Mr. PUTMAN. No, sir, 35 cents a ton was what it amounts to.

Senator BREWSTER. Mr. Putman, would you accept the determination of a competent Government tribunal as to what, if any, differentials should prevail between the North and South?

Mr. PUTMAN. Absolutely, we would, and we offered to do that yesterday before the Mediation Board. If I may read this. We made a proposal [reading Exhibit No. 42]:

1. Put mines to work Monday under same contracts as expired March 31, 1941.

(a) Pay 10 cents per hour increase in basic day wages, and an equivalent increase to all piece workers, and continue to negotiate as to what further wages, if any, shall be paid; such further increases, if any, to become effective on the date a decision is reached. If we are unable to agree within 30 days we agree to submit the question to the National Defense Mediation Board for arbitration to determine the wage level for a contract to expire March 31, 1942.

Senator HATCH. Do you agree to accept and abide by the decision of the Mediation Board at that time?

Mr. PUTMAN. We do. Now, Mr. O'Neill has said something about our breaking this thing down because of walking out of the conference. We don't think there is anything sacred about the Appalachian Joint Conference.

Senator HATCH. There isn't, but the condition of this country is sacred.

Mr. PUTMAN. That is right, sir; we agree with you on that, but when any institution or any organization falls of its own weight, when it can't function, when it can't perform, when you yourself say, Senator, the question is one more between operators than it is between employer and employees, I say it is time to let that organization fall and never pick up the pieces, and that is the reason that we are standing on our demands to be heard and dealt with as the Southern Coal Operators' Wage Conference, because the Northern Operators naturally will have thoughts about what they should do and shouldn't do that we can't share, and we want to fix this thing up on a basis that will actually function. We do offer, and offered yesterday, and we do offer now, to pay 10 cents an hour, which is comparable to the highest increases that have been paid in such industries, such as steel paid—pay 10 cents starting tomorrow, and submit the whole affair to arbitration on the basis that I described to you here just now.

Senator BALL. What would that be, 80 cents a day?

Mr. PUTMAN. Seventy cents, we have a 7-hour day and 35-hour week.

Senator BALL. In effect, if this agreement signed or initialed with the Northern Coal Operators holds and you go back to work now, whatever agreement you negotiate doesn't make any difference; the differential is going to be wiped out because the northern operators will get the same rate under that contract.

Mr. PUTMAN. Yes, but we have some practical observations of that which we must take into consideration, too. Let me say, Senator, first there were no strings tied to our proposition. We didn't condition that upon its acceptance by the North or by anybody else. We made it cleancut across the table. That was our offer, and on that these mines could have been operating today. We don't want to tie our neighbors down. We are not caring about the favored-nation clause, but there are many things in the contract which they have written up, if they indeed agreed upon it, which were serious

obstacles to our acceptance. Many of these are things which we don't know what they mean, and, personally, I don't think they know what they mean.

Whenever you write in a contract for me to sign that the International Union reserves the right to call and maintain strikes throughout the entire Appalachian region, to maintain integrity and competitive parity, well, I don't know what that is written for and I certainly will ask to know. I have had three interpretations of it already. I imagine there are many more, but before I would sign my name to a contract I'd like to know what it means.

The CHAIRMAN. Aren't these things that the operators should have negotiated and agreed on long before they began to talk to labor?

Mr. PUTMAN. Well, I don't think so, Senator, for the reason that what the operators had in mind, as they naturally would as the basis for further considerations, is the old agreement. Now that agreement is a thing which is pyramided up with time and which has been pointed to with pride by the United Mine Workers of America and to a somewhat similar degree by ourselves as perhaps one of the finest collective bargaining contracts ever written, and therefore we expected naturally that what would take place would be to simply add to the wages, a wage increase which was indicated by the situation and go ahead with the old agreement.

Senator BREWSTER. As we understand it, up to date the northern operators on their statement here said they had an agreement, and that you fellows would sign it or else. You say that you are willing to arbitrate.

Mr. PUTMAN. Yes.

Senator BREWSTER. And submit to the decision of that arbitration constituted by the Government.

Mr. PUTMAN. That is right.

The CHAIRMAN. Are there any other questions?

Senator CONNALLY. I want to ask a question. Your wages now under the old agreement are \$5.60. Is that right?

Mr. PUTMAN. They were. That is what we call the basic day wage scale, and the—

Senator CONNALLY (interposing). And in the northern section they were \$6?

Mr. PUTMAN. That is right.

Senator CONNALLY. Suppose the northern people would agree to raise a dollar, would you raise a dollar?

Mr. PUTMAN. Yes.

Senator CONNALLY. So that the raise would be uniform throughout all these areas?

Mr. PUTMAN. We offered to do that yesterday.

Senator CONNALLY. Then if that were true, the general competitive set-up would remain somewhat, not perhaps exactly but somewhat, just as it has been up to the time of the expiration of this other contract.

Mr. PUTMAN. That is right. It would remain exactly the same, Senator, so far as I can see.

Senator HATCH. You didn't offer to further negotiate as to the 40 cents?

Mr. PUTMAN. Oh, yes; we did; we offered yesterday or Saturday night, perhaps it was; we made the proposal to give an increase of 10 cents an hour to the ordinary day labor, and the offer would carry with

it an additional amount to certain classes of day labor, a properly related increase to tonnage and piece workers, and to continue on with negotiations for 30 days in an attempt to negotiate an agreement, and if we finally failed to agree, then we would arbitrate the matter according to the methods set forth to you a while ago.

Senator HATCH. Independent of the Northern Mine Operators; they could do what they see fit.

Mr. PUTMAN. It would be entirely separate and apart from them, and I say to you now, as I said to them in New York weeks ago, for Heaven's sake, if they have an agreement why don't they go to work under it?

Senator BREWSTER. Would you raise your offer to one dollar instead of 70 cents a day?

Mr. PUTMAN. We raised our offer to \$1, Senator, but we did it on this basis, that nothing further was left open, that it was a closed affair, to be simply pyramided as a \$1 increase, and carried with it the acceptance of all the other terms and conditions of the contract which expired March 31.

Senator BREWSTER. Wouldn't the increase of \$1 a day which was requested by the mine workers then mean that if you supplemented that with the agreement you stated here, that the 40-cent differential would then be the thing that would be arbitrated?

Mr. PUTMAN. We didn't propose to leave that to arbitration, because we said, after deliberate consideration, that that was just an absolute ceiling past which we couldn't go.

Senator BREWSTER. Would you mean, then, that when you just said here you were willing to arbitrate, that you eliminated the 40-cent differential?

Mr. PUTMAN. I did not; I said we thought, Senator, that our case was good enough that if we simply paid 10 cents an hour and then left the rest of it to arbitration, that no fair arbitrator is going to raise our rate above the ceiling of \$1 which we had in mind as an absolute maximum.

The CHAIRMAN. Let me get this clear. You are offering an increase of 70 cents and arbitration on the 40 cents.

Mr. PUTMAN. That is right.

The CHAIRMAN. With a dollar offer you are not offering any arbitration?

Mr. PUTMAN. That is right.

Senator BREWSTER. It is arbitration on 70 cents, that is, the mine workers claim \$1.40; he offers to give them 70 cents and arbitrate the remainder.

The CHAIRMAN. If they agree to the dollar raise they won't arbitrate.

Senator BREWSTER. If they agree to the dollar they won't agree to any arbitration.

Senator CONNALLY. May I ask you a question? My question provoked your statement a while ago that you were willing to come to the dollar, willing to raise the rate to a dollar, just as it was raised in the Northern area.

Mr. PUTMAN. That is right.

Senator CONNALLY. Of course, you want that to be final if you do that.

Mr. PUTMAN. That is right.

Senator CONNALLY. Now, would that raise in the case of the wages of your men be at a higher percentage than the wage increase in the Northern area?

Mr. PUTMAN. Yes, it would.

Senator CONNALLY. In other words, your employees would get relatively a larger percentage of increase.

Mr. PUTMAN. Yes.

Senator CONNALLY. With a flat dollar?

Mr. PUTMAN. Our basic day labor would get about an 18 percent increase and the basic day laborer in the North would get about 16%.

The CHAIRMAN. Are there any other questions?

Senator MEAD. Just one question. In other words, your desire as expressed to the committee a moment ago to arbitrate will be predicated upon the fact that when it is all over you will still insist on a wage differential in favor of the South?

Mr. PUTMAN. Not predicated upon that, Senator. It simply operates to this extent, that in the consideration of the whole problem we figure that one dollar a day increase was as high as we could possibly go, and we felt so secure in our position that we were willing to go ahead now and pay 70 cents and arbitrate the whole affair, because we just were not afraid to risk our case to a fair tribunal, and we didn't think they would take us above the dollar.

Senator MEAD. But if they did and made it \$7 in both fields, you would agree to it?

Mr. PUTMAN. There is nothing else we could so, sir.

Senator MEAD. You would agree?

Mr. PUTMAN. That was the condition when we made the proposition of arbitration; it was done fairly without any—

Senator MEAD (interposing). I thought you said a moment ago that there would be a ceiling of 70 cents plus the maximum raise of \$1.

Mr. PUTMAN. Any idea of a ceiling was upon the basis of our definite offer of the dollar.

Senator MEAD. Now, for my benefit will you tell me where the boundaries of this so-called Southern District lie?

Mr. PUTMAN. The Southern District as we represent it includes 13 producing districts in the southern part of West Virginia, in eastern Kentucky, northern Tennessee and Virginia.

Senator MEAD. And are you representing all those districts in this controversy?

Mr. PUTMAN. Yes. I am the spokesman for the group. There is a committee of 4 members, 2 from the low-volatile fields and 2 from the high-volatile fields, and I am speaking for those 13 districts that product about 150,000,000 tons of coal a year and have about 150,000 employees.

Senator MEAD. In this so-called arbitration agreement that you talk about, or negotiation that you talk about, you will subscribe to their findings even though they wipe out the wage differential?

Mr. PUTMAN. Yes. Yes, we would have to subscribe to that, and as to anything else, because if we agree to arbitration, then we must agree to conform to its final findings.

Senator MEAD. And in agreement you will make no limitations or ceilings?

Mr. PUTMAN. We have made our agreement. We made our proposal in writing, with no strings tied to it.

Senator MEAD. I just wanted to know if you left the arbitrators with sufficient power to wipe out this wage differential if they see fit to do it.

The CHAIRMAN. Put a copy of that proposal in the record, will you, please?¹

Senator CONNALLY. I understand there are two alternatives. You really give them a dollar increase right now and close the matter, or you give them 70 cents and then leave the balance open to arbitration, and of course abide by whatever you submit to the arbitrator? Is that right?

Mr. PUTMAN. May I restate it just a little bit, Senator? We will give the 70 cents, 10 cents per hour as our increase exactly according to the basis which was set up in the white paper that I have presented there, and that speaks for itself. Now, the dollar a day increase was definitely conditioned upon its being an increase to the wages in the contract that expired on March 31, 1941, and all the terms of working conditions, and so forth, were to remain exactly as they were in the agreement, which expired March 31, 1941.

Senator CONNALLY. That would settle the whole thing if you give them the dollar; your proposition is simply to advance their wages \$1 and leave everything else remaining just like it was under the old contract.

Mr. PUTMAN. That is right.

Senator CONNALLY. And the other alternative is to give them 70 cents and arbitrate what is left.

Mr. PUTMAN. Yes, sir.

Senator MEAD. Not only arbitrate what is left—arbitrate up to the maximum paid by the northern operators, which is really \$1.40 in its total.

Mr. PUTMAN. It would carry with it the acceptance of everything that the arbitration board determined upon with the \$1.40 as a ceiling. In the other case, it was \$1.

Senator MEAD. \$1.40 is the ceiling under arbitration and \$1 is the ceiling under the other agreement?

Mr. PUTMAN. Yes.

Senator MEAD. Now, did I hear you say a while ago you were in favor of the northern operators going back to work at once, even though your matter wasn't settled?

Mr. PUTMAN. I certainly was.

Senator MEAD. Why don't you set a good example by going back to work yourself, by agreeing with the President's proposal?

Mr. PUTMAN. We don't have a contract agreed upon.

Senator MEAD. You ask your case be certified. The Government developed a program and you disagreed with it after asking for it.

Mr. PUTMAN. We are maintaining our position just the same as we did just before we went there.

Senator MEAD. Rather stubborn.

Mr. PUTMAN. Most of us are, more or less, and if you call me stubborn I will not object to it. I think it is a very fine characteristic.

Senator MEAD. There are only three parties in this controversy, and the other two, neither of whom asked for this mediation, are willing to agree, and the one that asked for it is the one that is in disagreement with what he asked for.

¹ Subsequently entered as Exhibit No. 42; appears in full, *supra*, p. 421.

Mr. PUTMAN. There are only two parties to it so far as we are concerned. We recognize the United Mine Workers of America as the collective bargaining agency for our employees and we recognize our own rights to deal with them. We don't recognize the northern operators; we don't recognize any such thing as that we have to deal with them.

Senator MEAD. Of course, you recognized the Mediation Board because it was you rather than the other two parties that asked for that intervention.

Mr. PUTMAN. We did ask for that and I will just submit to you here—

Senator CONNALLY (interposing). Your attitude is that you think you and your employees have a right to agree among yourselves on anything that you agree upon, but you don't agree that the northern operators and the northern employees shall make your agreement for you.

Mr. PUTMAN. We certainly object to their doing it.

Senator CONNALLY. Is that your attitude?

Mr. PUTMAN. That is my attitude. So far as the Mediation Board is concerned, they made two proposals to us. I don't think they are very proud of the first one they made. You might be interested in it. I want to read it to you. I think it should be put up in the archives. I think it is a real one.

1. All men return to work.

2. That the miners and the operators already in agreement resume production under the terms of that agreement.

3. The operators and miners who have not yet reached agreements reopen the mines and enter immediately into negotiations. If an agreement is not reached by Monday, May 5, the 40-cent differential be subjected, and that alone, to arbitration; the arbitration to be decided not on the basis of any historical evidence as to the existence of the differential in the past, but only upon evidence that shows or tends to show that the differential is necessary to maintain the competitive parity that the Guffey bill contemplates.

4. If at any time during the life of the 2-year contract the minimum price fixed by the Guffey Act is different for one group from what it is for another group, then all parties are released from their bargain.

In other words, if the Coal Division sees fit to change the price set up a cent or two, why the contract between the operators and the United Mine Workers throughout the whole Appalachian Region is void and wiped out.

The CHAIRMAN. What is the other proposition? Have you another one?

Mr. PUTMAN. The other is the one read by Mr. O'Neill.¹

Senator BREWSTER. Would you have been agreeable to that proposition with the elimination of that last stipulation?

Mr. PUTMAN. I don't know. I would have to analyze it before I would say about that, but it has just so completely knocked us off that I didn't see it even. I thought it showed utter lack of grasp of the situation, Senator.

Senator BREWSTER. Well, with your grasp of it wouldn't you be able to volunteer an opinion whether if you struck out clause 4 you could do business?

Mr. PUTMAN. No. It ties into the same thing on No. 3.

Senator BREWSTER. Well, No. 3 is the one about the 40-cent differential, isn't it?

Mr. PUTMAN. Yes.

¹ See Exhibit No. 40, appendix, p. 683.

Senator BREWSTER. Isn't the whole fundamental fight here whether or not that differential is eliminated or modified?

Mr. PUTMAN. Senator, no; it isn't.

Senator BREWSTER. It isn't? Of course that is all we have heard about.

Mr. PUTMAN. You have probably missed it, but I would definitely oppose many of the things that are written up in the agreement which the North and the United Mine Workers have. We weren't given a copy of that or I would be glad to read it to you. They wrote it up for us during our absence and let us have it one night or one day to look at in New York, with a definite promise, which we kept, that we wouldn't copy it. The Mediation Board also had a copy of it yesterday, but they said they didn't think they should give it to us.

Senator BREWSTER. Well, your stipulation as to the willingness to arbitrate was conditioned as to a continuance of the conditions that prevailed before March 31, as to everything except the wage rate, was it not?

Mr. PUTMAN. No.

Senator BREWSTER. Wasn't that what you stated?

Mr. PUTMAN. No; it was not.

Senator BREWSTER. You made certain stipulations as to what could and could not be arbitrated.

Mr. PUTMAN. No, no; we did not, as to what could be arbitrated.

Senator BREWSTER. So you were willing to submit the entire controversy to arbitration between yourselves and the mine workers.

Mr. PUTMAN. So far as I know, it is never customary to arbitrate as to working conditions. The arbitration would naturally, I think, center on the question of wage levels. I don't think, from what I know if it, and I don't say this for a certainty, but I don't believe it would be satisfactory to the representatives of our employees to arbitrate as to working conditions. We don't see any objection, however, to arbitration as to the wage level.

Senator BREWSTER. Do you agree with Mr. O'Neill as to the approximate cost of $3\frac{1}{2}$ cents per ton as being about what is involved?

Mr. PUTMAN. The 40-cent differential would amount to about $3\frac{1}{2}$ cents.

Senator BREWSTER. So that really it comes down, as far as the consumer is concerned, to a question of that amount.

Mr. PUTMAN. Yes; that is right as far as the consumer is concerned; that is about what it is.

Senator BREWSTER. That seems a small item to precipitate so great a crisis on either side.

Mr. PUTMAN. It certainly is, and the $3\frac{1}{2}$ cents you may readily imagine is not so completely unsurmountable, but there are many of the working conditions that are set up in this agreement which we are told we must sign on the dotted line, that we can't accept, that the combination of it all makes conditions to us which are unbearable.

The CHAIRMAN. Are there any other questions?

Senator HATCH. Mr. Putman, forgetting for a moment these quarrels and contests between operators, the North and South and the United Mine Workers, have you something to suggest that these mines can be opened tomorrow morning? Let's hear it.

Mr. PUTMAN. That proposal right there.

Senator HATCH. That proposal has been rejected.

Mr. PUTMAN. Yes; wage negotiations are peculiar things, a little like horse trading.

Senator HATCH. You are doing a lot of horse trading.

Mr. PUTMAN. Maybe.

The CHAIRMAN. I think the public has been horse trading.

Mr. PUTMAN. I don't say we are perfect; we have done the best we could as southern operators to formulate a new contract and get to work under it in the least possible time. This was certainly one that would get to work quickly: "Put the mines to work Monday under the same contracts that expired March 31, 1941; pay 10 cents per hour increase in basic day wages and an equivalent increase to all piece workers, and continue to negotiate as to what further wages, if any, shall be paid, such further increases, if any, to become effective on the date a decision is reached; if we are able to agree within 30 days, we agree to submit the question to the National Defense Mediation Board for arbitration to determine the wage level for a contract to expire March 31, 1943."

Senator HATCH. That is your answer?

Senator BREWSTER. You were going to leave that in our record.

The CHAIRMAN. That goes in as an exhibit.

(The proposal referred to was marked "Exhibit No. 42" and appears in full in the text on p. 421.)

TESTIMONY OF JOHN L. LEWIS, PRESIDENT, UNITED MINE WORKERS OF AMERICA

The CHAIRMAN. Let's have quiet, please.

Mr. Lewis, for the benefit of the record will you please state your name and position, which we all know?

Mr. LEWIS. My name is J. L. Lewis, representing the United Mine Workers of America.

The CHAIRMAN. Mr. Lewis, we want you to tell us why the miners and operators couldn't get together and why coal isn't being produced.

POSITION OF UNITED MINE WORKERS REGARDING COAL STRIKE

Mr. LEWIS. More than 70 percent of the coal operators in this country and the United Mine Workers are in complete agreement for a 2-year wage scale. About 30 percent occupy a dissenting attitude. We are together; we have negotiated a satisfactory wage scale with the operators, Maryland and northern West Virginia, Ohio and Pennsylvania, which are about 55 percent of the total production produced in the so-called Appalachian area. We are assured that the operators in the outlying districts of this country, outlying this Appalachian area, as well as those that operate so-called captive mines or consumer-owned mines, will accept the terms and provisions of this initialed agreement.

The CHAIRMAN. What are those captive mines, whether called captive mines. They are in the southern territory, aren't they?

Mr. LEWIS. More in the North than in the South. Those captive operations are owned by steel companies, chemical companies, manufacturing companies, in various degrees. The tail of the industry is

undertaking to vigorously wag the dog, the tail in this instance being those northern coal operators and financial interests who call themselves southerners and geographical location to induce people who are not informed as to the technicalities of the difficulty that a great economic outrage is being imposed upon those southern operators.

Mr. Putman, who sat here a moment ago as spokesman for the southern operators is a northern mine superintendent. He took his carpetbag and went down into West Virginia and his operating company is owned by the Old Ben Coal Co. of Illinois. Mr. Putman's superior is the president of the Old Ben Mining Co., who is back here in the audience this morning, and he is a "Charlie McCarthy" for this group of operators who are to sit here carrying on this campaign and undertaking to demonstrate that under certain conditions the tail can wag the dog.

The CHAIRMAN. Now, what can we do to get coal? That is what we want to know. That is what this committee wants to know.

Mr. LEWIS. Well, in the face of the record I am going to take a moment of your time to tell you what the United Mine Workers think about the production of coal in this country.

The CHAIRMAN. We would like to hear it.

Mr. LEWIS. On the 13th day of March we made a formal and public offer, at the Appalachian Coal Conference in New York, composed completely of northern and southern coal operators, that in the event that a wage contract was not negotiated by the 1st of April, when the current contract expired by limitation, we would be glad to keep the mines in operation on the old wage scale with the understanding that when a new wage scale was negotiated that whatever its terms it would be applicable as of April 1. That was an offer of good faith; that was an offer made in recognition of the obvious fact that the country needed a continuity of coal production. The operators declined the offer.

Senator HATCH. Both operators declined that, northern and southern?

Mr. LEWIS. The southern and the northern operators, by unanimous vote. Later the Department of Labor sent the head of its Mediation Division into conference in the month of March, Dr. Steelman. He proposed this formula: Joint subcommittees of both sides. The Mine Workers again acquiesced and the operators dissented. Later the President of the United States proposed a formula for the southern operators and for the northern operators to return to work under this negotiated contract. Again the Mine Workers acquiesced, although we knew we were assuming the hazard of the adventure with the southern operators.

Later—yesterday, to be exact—the Mediation Commission, a court to whom, if you please, the southern operators made prayer to be heard, that court yesterday afternoon made the same proposal and again the United Mine Workers of America agreed. We have agreed with every suggestion made by any agency of the Government to every formula that has been adduced by such agencies. We are not to blame for this situation. We had negotiated an agreement acceptable to more than 70 percent of the coal mines operated in America. We seem incapable of negotiating an agreement suitable to this group of operators represented here this morning by Mr. Putman.

The CHAIRMAN. Would you be willing to arbitrate that situation?

Mr. LEWIS. Arbitrate what?

The CHAIRMAN. The situation of Putman's out there.

Mr. LEWIS. Submit the negotiated wage scales for 70 percent of the coal miners of this country?

The CHAIRMAN. I mean, arbitrate with the southern coal operators the differences that are now between you and let the rest of them go to work.

Mr. LEWIS. Arbitration is impossible under the circumstances.

The CHAIRMAN. He just agreed that he would take anything the Arbitration Board set up.

Mr. LEWIS. Without vitiating the agreement which we have negotiated for the rest of the country?

The CHAIRMAN. I am not asking you to do that.

Mr. LEWIS. No; but the finding of an arbitrator conceivably might set terms for the southern operators which would render inoperative and inapplicable the terms of the agreement in the North because all this coal is mined under comparable conditions and enters into the same national consuming markets of this country under the fixed prices and the conditions set up by the Government. Any wage scale negotiated for the South producing companies in that market would certainly vitiate and render unenforceable our contract in the North, the competitive factors that are involved in it, and in addition to that this agreement does contain a favored-nation clause which would require the mine workers to negotiate their wage structure downward in the North and in the rest of the country. If an arbitrator could be persuaded by the southern operators to do what they call give them a break—

Senator BALL. Don't both sides run that chance in arbitration?

Mr. LEWIS. Quite right; but the worst that could befall the southern operator in such an arbitration is a ruling that the same wages shall be paid for equivalent labor in the South as in the North.

The CHAIRMAN. What is your suggestion to this committee to get coal for these United States of America, which needs it worse than it ever did in its history?

Mr. LEWIS. Senator, I don't know how much you are going to go into this from the standpoint of the merits of it and I don't want to unduly burden the record.

The CHAIRMAN. If we have to, we are going into all the details.

Mr. LEWIS. I don't want to leave uncorrected any statement in this record that reflects upon the United Mine Workers of America.

The CHAIRMAN. That is the reason we have you here.

Mr. LEWIS. This committee assembled here believing that the differences between the North and South, the crux of this whole situation, was a differential of 40 cents a day affecting only those employees who work by the day and not by the ton or the yard or cubic foot or car. That is anywhere from 20 to 30 percent or thereabouts of the total number of employees. In the differential there is therefore involved an amount of 40 cents a day for substantially a third of the employees which, translated into cost per ton, means 3½ cents per ton.

The CHAIRMAN. That is what we couldn't understand, why 3½ cents per ton should keep the country from getting coal.

Mr. LEWIS. From that it is transferred into the fixed minimum of the Guffey Act, which means $1\frac{1}{2}$ or $1\frac{3}{4}$ cents or something about that. I haven't figured out the exact decimal point.

Senator BREWSTER. One and two-thirds?

Mr. LEWIS. That is what that means translated against the fixed minimums of the industry under the Federal acts passed by Congress. Now, you were doubtless surprised to hear this morning from Mr. Putman that they are not in agreement with the United Mine Workers on any one point—

The CHAIRMAN. I was decidedly surprised.

Mr. LEWIS. Of the proposed agreement. Mr. Putman and his associates sat in our conference in New York from the 12th day of March to the 13th day of April, 5 hours a day, sometimes more, and for 5 hours a day we listened to the moanings and lamentations of Mr. Putman, as given him by his superiors and his constituency, and in that period of time the southern operators did not agree on any one point up for negotiation. When they left, finally—and they withdrew of their own free will, by the way; I stop long enough to say they were not driven from the conference. They were told so frequently that they were blocking an agreement that they decided they had to leave rather than to hear us continuously talk about their blocking an agreement.

The votes in the conference at that time, eight votes being in the conference, were six for the agreement and two against it; the two always voting against it come hell or high water were Mr. Putman and Mr. Gunther, representing the southern operators. Well, we brought this matter to their attention, sometimes sadly and sometimes in more vigorous language. We are perfectly capable of understanding each other in the mining industry and we do talk each other's language. They finally got tired of us telling them the truth and they decided they would leave and come down to Washington and see all their friends here, including Members of Congress and people in the administration, and tell them this sad story of the great economic job that was going to be done on the southern operators.

So we heard about it. We heard about it in the press, we heard about it in the speeches of Congress, on the floor of the House—some gentlemen who didn't know a coal mine from a pants-cleaning establishment, who were full of authority on this question—and after about, oh, 10 or 11 days they came back again to New York, after the President had issued this formula for return or resumption of work. They stayed about 24 hours, more or less, and again pulled out for Washington, because they thought they had more friends here than they had in New York, and they came back.

But today Mr. Putman tells you that they are not for vacations with pay, as the agreement provides, a very limp form of vacation, however—a 10-day holiday with a token payment of \$20 per man for those in the industry who have had a continuous employment of record of more than 1 year. He is not for that. He is not for the elimination of the reject system down there, which is the modern device of stealing coal from coal miners as compared with the more ancient device of robbing them on their weights or not having scales at all. A scale to weigh the coal miner's coal was never heard of in

Mr. Putman's district before 1933. They paid by the car and they were constantly expanding to find more flexible and pliable woods with which to build coal cars so that the swag in the timber would constantly take more and more coal on the car.

Now they stole the miners' coal that way, and the reject arrangement that they are protecting now and which he tells you must be preserved is a critical agreement. Under his dollar-a-day offer here they preserve that to continue to steal that coal and market it. The northern operators say to us in conference, "If you are not going to write a clause in this agreement to prevent the stealing of the miners' coal in the South," in the area represented by Mr. Putman, "then we want a clause written into this agreement that will give us the right to steal their coal although we think it is morally unsound and we have conscientious objection to the practice."

So we have got a clause in that agreement that eliminates the so-called reject system. That is a system of arbitrary dockage of the mine workers' cars anywhere from 200 pounds to 1,400 pounds on the ton, or a system of deducting any amount from his tonnage rates to permit them to build modern washers and coal-preparation plants and to sell the residue of coal that they take out at prices fixed by the coal differential of the Department of the Interior. They want to preserve that, and Mr. Putman was careful to stipulate just now to you gentlemen that if they offered a dollar a day it must be with the understanding that every rule of that agreement must remain unimpaired as against the last period of its application. He says he is against the vacation. He is against every item that runs to cost in that agreement, if he offers \$1 a day. No wonder Mr. Putman wants to arbitrate some of these provisions if he can get a fixed premise on which to stand, because the worst that can happen to him under the arbitration will be the best of it as compared with the northern operators and the United Mine Workers of America.

Now, some gentleman says, "If the United Mine Workers have negotiated an agreement with the northern operators, why don't they go to work?" We are afraid to go to work. We are afraid to go to work. Afraid of what? Afraid of the arrogant, insolent, economic, political, and financial power of this group of southern operators in the communities that they rule. Afraid of what? Afraid to desert 145,000 men who are members of this union and leave them to the tender mercies of these arrogant, insolent gentlemen who do not hesitate to suborn public officials in their communities, to police their communities with privately hired and armed gunmen, to evict our people from their homes, so that they will have no domicile (they have none except those owned by the company) and to close their commissaries and company stores, to cut off food supplies for our people and leave them to their mercy; to cut off water and electric light and to cut off medical attention.

The CHAIRMAN. It sounds like you are talking about Germany and Holland.

Mr. LEWIS. I am wondering, Senator, where the war is today, and apparently we have plenty of aid to give stricken peoples anywhere in the world except in the mining regions of this country.

On the 1st day of April 1941, 14,000 families in Harlan, Bell, and Letcher Counties, Ky., had pay coming. That pay was due on the 15th of April in normal sequence unless it was traded out to the com-

pany's store before that. On the 1st day of April in those three counties they froze those mine workers' wages; they froze the funds—that phrase is perhaps familiar to the Senators—in their possession belonging to the mine workers. To do what? They thought the strike might last a long time and they wanted these funds to aid and safeguard the payment of house rent in their companies for 3 or 4 months; payment for electric light that their companies furnish, water in some instances, doctors in others, and again to safeguard their collections, which they make for a commission for installment houses that sell washing machines and radios and kitchen cabinets and refrigerators, from which the coal companies derive a nice commission for deducting those collections from the mine workers' pay.

So, since the 1st of April, those 14,000-plus families have had nothing to eat and no credit and can buy nothing from the company stores of these coal operators because their money is frozen and the company will not issue this script or token money, and all they have had to eat in those counties is the food furnished them by the United Mine Workers of America. Their money is impounded.

Now, this is free America I am talking about, Senator. Their money is impounded entirely in Bell and Knox Counties, Ky., and we are afraid that if Mr. Putman is successful in his dream of the northern operators' return to work while he and his conferees do a job on those people in the coal camps of the South, we are afraid Mr. Putman and his company stores all over will immediately close; and we are afraid that Mr. Putman's associates, who have plenty of money for such purposes, will evict our people from their homes; and we are afraid that he will again hire their gunmen, who have been unemployed for some time and who have had several bad years since we have got an agreement in the South; and we are afraid the United Mine Workers of America is to abandon 145,000 men to the tender mercies of these brutal and arrogant coal operators who are in this meeting today and who would like nothing so much as to throttle labor by the throat in this situation. If you want their names I will give them to you.

The CHAIRMAN. We have them. What we want is coal and we want to find out how to get it and we want you to tell us your remedy for getting coal.

Mr. LEWIS. All right, Senator. I will tell you, as I have told other Government agencies, how the Nation can have coal in the face of this conspiracy on the part of the southern operators. May I stop long enough to say that this attitude of theirs is not a recently adopted one. Early in the year they called a field meeting of southern operators in Cincinnati and they said they were doing fine; they said to each other they were doing fine; it promised to be a good year because the running time was going to be greater, with the chance to make lots of money.

There was just one rift within the lute and that was that they might be called upon by the Mine Workers in April to grant a wage increase and also asked to eliminate some of the differentials, so that the day wage in the South would be the same as the day wage in the North.

The CHAIRMAN. Is there any reason why it shouldn't be just the same in the South as the North? Don't they produce just as much coal per man?

Mr. LEWIS. Senator, you are entirely right in your statement, in your assumption. A track layer in the South anywhere lays just as much track as a track layer in Pennsylvania or Ohio. A timber man sets just as much timber; the operator of a machine cuts just as much coal with the same type of machine. There is no difference in the efficiency of labor. The difference is a pound of bacon a day per man to those day men—it just amounts to a pound of bacon a day—and our people in the South want that bacon just as much as our people in the North want them to have that bacon.

The CHAIRMAN. We in Missouri would like to sell it to them.

Mr. LEWIS. I understand you have some hog meat for sale down there, and if we get this 40 cents I will agree we will eat some of your hog meat and we are going to get the 40 cents.

The CHAIRMAN. You mustn't approach me with that, because I am sitting as a court to hear the evidence on this case.

Mr. LEWIS. Far be it from me to suggest that the Senator be influenced, but we are going to get the 40 cents, there is no doubt about that, so you might as well prepare your hog meat.

The CHAIRMAN. That is the way we are going to get coal, by giving them 40 cents?

Mr. LEWIS. We are going to get the 40 cents—no question about it—because we are going to demonstrate that the tail can't wag the dog.

The CHAIRMAN. That is the only way we can get coal?

Mr. LEWIS. These people down there are some of the people I talk about once in a while who have shrunken bellies. Their bellies don't protrude as far as some of us in Washington and I am putting myself on that basis as well as some of the other gentlemen here.

I think you know what I mean. We all have enough, we who sit around this table, but they suffer from malnutrition. Down in those areas the babies don't have enough milk and the adults don't have enough bacon and they don't have enough variety in their food, and we think they are entitled to the same pay as any other citizen for the same labor and the same kind of minimum for the coal entering the same market. That is the human equation there.

Now, how can we get coal for the country? We are all for that.

The CHAIRMAN. That is what we are interested in.

Mr. LEWIS. Whenever the Government will give guaranties, public in nature, not to the United Mine Workers, that they will protect our people in the South from starving and that they will get food, that they will be protected against eviction from their homes, that their civil liberties will be protected from the hired gunmen in the South, and that the women in those coal camps where the operators remain operating will be given medical attention—and may I say there are thousands of them down there right now that need medical attention—through the Public Health Service or the American Red Cross, the United Mine Workers of America will hold a meeting of their policy committee and I will recommend immediately that all the mines in this country go to work where the operator of that mine will agree to sign this agreement, and we will break this situation in 48 hours.

The CHAIRMAN. I know why.

Mr. LEWIS. As a matter of fact, if the Government is willing to give those guaranties that our people in the South won't feel they are

being abandoned to the devices of an arrogant and clever foe, this thing will be broken in no time, because the very guaranties will so shorten it they will go out of existence forthwith.

Why, who is conducting this strike down in the South, this lock-out? It is mostly northern coal operators and northern money. The Koppers Coal Co., which mines some 13,000,000 tons of coal, more or less, and consumes six or seven million of it in their own Koppers ovens, is northern-owned, by the Mellon interests in Pittsburgh, who own the Pittsburgh Coal Co. They are closing their ovens in Massachusetts today, shutting down at Carnegie, New Jersey, and in Philadelphia and elsewhere because that company has locked out its employees and as a result can't render service to their customers and the community and the Nation in the North. But whenever the Mellon interests or the Koppers Coal Co. find out they are not going to be able to starve these people into subjection from the South or evict any from their homes, or run the country with gunmen, the Koppers Coal Co. will sign this agreement and they will sign on the dotted line. They mine that coal in the North for their northern ovens, and the people in the North pay the price and the people in the North have a right to believe that those men in the South who mine that coal are getting the same wages as they have to pay in the communities where they live in the North.

If the Consolidation Coal Co., Rockefeller money, accepts this agreement in Maryland and in northern West Virginia it must also accept this agreement in Kentucky, where their mines operate.

The Berwind-White Coal Co.—we all know who the Berwinds are. In Pennsylvania they accept this agreement; they refuse to accept it in the New River field of West Virginia. The New River Coal Co., Mr. L. E. Gaines, who sits here, is the president of it, sometimes purporting to represent this group. Northern capital, Boston money, and the C. & O. Railroad; Mr. Putman, who sits here representing Illinois capital. There are plenty of companies down there who are following a Dr. Jekyll and Mr. Hyde policy here. They are willing to make an agreement in the North, but at the behest of certain people in the South, who urge them not to compromise their position, they go along on the southern policy of "fighting this out along this line if it takes all summer." But whenever the Government is willing to say that the people in the South will not be evicted, that food will be given to them—and I mean food to be given to them, and medicine be given to them, and the rule of the private gunman will not overrun Kentucky and Harlan County again, the mine workers will be glad to change their policy.

If you create a condition where our people are not afraid to change their policy, the question of cooperation between Government here and these loyal mine workers throughout the country to get coal for the Nation that is in distress—why any schoolboy knows there is a progressive menace in this coal situation. We have been calling attention to it since the middle of March. We can take a lead pencil every day and figure out exactly what the situation is, enough to suit our own judgment, and it is progressive and it is mathematical.

It soon will get to the point where some of the railroads won't have any coal to haul coal to consumers when production does start. Everybody knows it is necessary to end this. We have cooperated with

every agency of government and your committee, sir, in trying to present the facts of this situation. That is our attitude now.

The CHAIRMAN. We think the public is entitled to know all the facts and we are trying to get them before we get through. We hope we can find a way to get coal for the American people; that is what we are after.

Mr. LEWIS. Well, 2 weeks ago at a meeting in New York I said to the Secretary of Labor, who visited the conference, "If you, in urging us to go to work, will agree that our people will not be evicted and shall have food and medicine, and be protected in their civil liberties, we will gladly adopt the policy on the part of the United Mine Workers that will immediately put mines into production." We have since said that to every agency we have come in contact with, the various representatives of the Government who have talked to us, the Secretary of Labor herself, the Mediation Board yesterday, and the day before yesterday, and we say it again to you gentlemen who are making a public examination of the facts.

Might I state to you while I am talking here, I take it you don't object to having a few facts, whether they are pleasant or not; they are all involved in the situation. Some things I don't like to say publicly; contrary to the belief of some people, I don't say publicly everything I know, but I am going to tell you this. Every lock has a key, if you can find the key. There is a key to this lock.

The CHAIRMAN. We are trying to find it.

Mr. LEWIS. There is a key to this lock. Southern tonnage is divided into two great segments, what we call the low volatile mines south and the high volatile mines south. That typifies the varying characteristic of coals and special purposes for which they are used. In each area there is a dominant company; that is, a large company which is the bellwether for the flock, in every commercial and competitive sense. In other words no small company can expect to pay any more or do any less than the larger companies in the commercial and competitive fields.

The industry follows the leadership of those two companies, just follows them; whatever they decide to do, that is the policy of the industry down there in their association meetings, in their public policies, all of their negotiations and what not. In the low volatile field the bellwether, and the leading corporation, and the key to the situation, is the Pocahontas Fuel Co. Whatever the Pocahontas Fuel Co. does, all the low volatile operators will follow. The chief man in that company, from the standpoint of personal influence, ability, prestige, and power and decision is Mr. O. L. Alexander, who may be sitting in this room behind me. He was before the Mediation Committee yesterday.

Now in the high volatile field. The high volatile field is dominated by the Island Creek Coal Co., of which Mr. Coolidge of Boston used to be the principal character in years gone by; I don't mean former President Coolidge, but a distant kinsman of his, perhaps. The two gentlemen who dominate its policies are probably in the room now, Mr. T. B. Davis and Mr. James Francis. Whatever Island Creek does, and whatever those two gentlemen do, or whenever they change their minds, the high volatile south will follow the Island Creek Coal Co. And if you can get those gentlemen that I have named, in the name of patriotism or in the name of anything else, to agree to accept

the President's proposal reenunciated yesterday by the Mediation Council, you will have the whole South following those gentlemen.

I am complimenting those gentlemen on their influence and on their peculiar positions of power. I know them well individually, officially, personally, their business ramifications, and what not. I regret to have to say these things publicly, but they are here, the situation is here, and they can answer. And don't let them beguile you by the soft purrings of their voice in extenuation of Mr. Putman's attitude. Mr. Putman is a Charlie McCarthy for them. Don't be beguiled by the pleasant dulcet tones of his melodious voice. That is one thing the matter with this situation; we listened too long to Mr. Putman. For too many days we listened while his principals were mixing medicine and preparing for this blitzkrieg down in Washington. We were lured into believing they might some day agree, but if you want the facts you have got them.

There are ways to get coal. One, to convince those three gentlemen by moral persuasion. Two, to cooperate with the United Mine Workers by saying that their members will be protected. You see all these gentlemen accept favor from the Government; they sell the Government coal; they furnish the defense plants with contracts.

The CHAIRMAN. That is the reason we are having this hearing.

Mr. LEWIS. That is right, Senator. These gentlemen can't operate these magnificent companies with success without the cooperation of this Government and without participation in the defense plan from a financial standpoint. I am free to admit that they are in it for what they get out of it.

They are not operating those companies for altruistic reasons. The mine workers' position is that this runs to bread and butter and bacon. Jim Francis and O. L. Alexander should pay the same amount for laying track or running a motor or a mine as their competitors in the whole Appalachian market.

What other questions have you got?

Senator CONNALLY. Mr. Lewis, the agreement which expired on the first of April—was it?

Mr. LEWIS. Right.

Senator CONNALLY. Was there a differential at that time between the North and the South?

Mr. LEWIS. Yes; 40 cents a day on these day men and other differentials on tonnage rates which run, as Mr. O'Neill told you, to a total of about 20 cents a ton cost.

Senator CONNALLY. Did you approve those agreements when they were made?

Mr. LEWIS. No; we accepted them because we couldn't get any better.

Senator CONNALLY. They were in operation for how long?

Mr. LEWIS. Since 1933.

Senator CONNALLY. Now a little while ago you said you were going to get the 40 cents. Do you mean by that that unless you get the 40 cents there won't be any coal produced?

Mr. LEWIS. I don't mean that; I mean what I said here.

Senator CONNALLY. What did you mean by that?

Mr. LEWIS. I meant that in my opinion we were going to get the 40 cents; that is just an opinion on my part.

Senator CONNALLY. Your opinion is pretty predominant in the coal operators' end of this?

Mr. LEWIS. I wouldn't want to admit that small, soft impeachment there. You know I am very modest about those things.

Senator CONNALLY. I know, very modest; you have shown that this morning. Now, what did you mean by that?

Mr. LEWIS. I meant that in my opinion.

Senator CONNALLY. You said, as I understood you—and you hit the table pretty hard, as if you meant it—"We are going to get the 40 cents." Now do you mean by that that you are telling this committee that unless you do get that 40 cents the coal mines are going to stay closed in the North and South?

Mr. LEWIS. No, Senator; I wouldn't let even you put words in my mouth.

Senator CONNALLY. You meant—

Mr. LEWIS. I meant that in my opinion, whatever that was worth, be it little or be it much, we are going to get the 40 cents, for the reason that I think when the 70 percent of the industry agree on a wage scale that in truth and in fact, from every economic consideration, from every rule of human contact, that should become the basic wage and be accepted by the remaining part of the industry. That is what I meant.

Senator CONNALLY. Now you say it is your opinion that you are going to get the 40 cents. Is it your opinion that unless you get the 40 cents the mines will stay closed?

Mr. LEWIS. Oh, no; I mean just what I say; it is my opinion that these gentlemen will gradually become more and more discouraged as time goes on and accept the same agreement as their competitors.

Senator CONNALLY. Of course the northern operators as well as the employees, I assume, are anxious that the differential be removed?

Mr. LEWIS. How is that?

Senator CONNALLY. I suppose the northern operators as well as the employees, the miners whom you represent, are equally anxious to remove this so-called wage differential in the South?

Mr. LEWIS. That runs to the question of the parity of the industry in the Appalachian area under the Federal act. We have to preserve the equities there or else it becomes unbalanced.

Senator CONNALLY. Now you have been operating under the Guffey Coal Act for several years?

Mr. LEWIS. Just since last October, the prices became fixed.

Senator CONNALLY. Were those prices or the basis of those prices arrived at during the time of the old agreement and the wage differentials taken into consideration, or not?

Mr. LEWIS. Every area and every mine is coordinated at destination, point of delivery, taking into consideration the cost of production, the quality of the coals, and the freight rate differentials.

Senator CONNALLY. Now the point I am getting at is, if this differential is removed and they pay the same wages, then the coal differential would have to readjust, wouldn't it, and reexamine all these minimum prices everywhere?

Mr. LEWIS. There would have to be a hearing under the act; whenever the cost of production increases to an amount equal to 2 cents a ton, it calls for another finding of fact on hearing and adjustment of prices to meet changing conditions.

Senator CONNALLY. Would you be willing for the northern mine operators to go ahead and begin producing coal now, while the southern people continue their negotiations?

Mr. LEWIS. With their mines idle?

Senator CONNALLY. I don't know whether they would be idle.

Mr. LEWIS. That is important. Which side of it are you going to take there?

Senator CONNALLY. You can express either branch.

Mr. LEWIS. With the mines idle I just finished telling the committee we would be afraid to do that because that would expose our people to their economic and military sanctions; they would impose those on them in the South; we are afraid to do that.

Senator CONNALLY. It wouldn't hurt the northern operators, though, would it? They said they would be satisfied, the northern operators and the employees both, in the North, if you produced on the terms that you agreed upon. They would be satisfied, wouldn't they?

Mr. LEWIS. No; the miners in the North are not anxious to abandon their fellows in the South to the tender mercies of these economic and military sanctions I speak of.

Senator CONNALLY. Why, they agree to do that in this agreement in force 2 years. Were they willing to abandon them when they made that?

Mr. LEWIS. They didn't abandon them in that agreement.

Senator CONNALLY. There was a differential in that agreement up to the 31st of this March.

Mr. LEWIS. Oh, yes; that is because they had to endure that, along with a lot of other things. You will understand that we have already abandoned three-fourths of these values that exist in the differentials on the tonnage rate and that this is boiled down merely to that part of the men who work by day in the South and not those who work by the ton.

Senator CONNALLY. You wouldn't be willing to recommend, then, a reopening of the mines with a flat increase of \$1 North and South?

Mr. LEWIS. Any reopening of the mines on terms that give the southern mine workers lower wages than the northern mine workers disturbs the integrity of the whole agreement and upsets the parity under the act of the whole Appalachian area.

Senator CONNALLY. Then your answer is "No," you wouldn't be willing?

Mr. LEWIS. My answer is "No." I wouldn't want to recommend that.

Senator CONNALLY. Under that arrangement the southern operators would get just as big a wage increase, the southern miners would get just as big a wage increase as the northern miners?

Mr. LEWIS. Are you trying to justify the 40 cents differential?

Senator CONNALLY. I am trying to—I am not interested in coal personally or politically in any wise, but I am interested in this defense program; I am interested in the question of whether or not the Nation is to be coerced and driven into an interruption of the defense program, and tying up of our war industries about the quarrel over coal. That is what I am trying to interrogate you about, if you will permit interrogation.

Mr. LEWIS. I don't suppose you would even claim to have a monopoly on that kind of feeling, that the rest of us might have some of those motives in our own minds, as good citizens?

Senator CONNALLY. I haven't attributed that to you or anybody else.

Mr. LEWIS. But you are proclaiming it for yourself?

Senator CONNALLY. I am not interested in coal one way or the other. I have no coal interests and it doesn't affect me politically at all.

Mr. LEWIS. Yes, sir; again we accepted the President's proposal. Now, how patriotic do you want us to be? The southern operators sit here this morning and reject it; we accept it. How patriotic do you want us to be?

Senator CONNALLY. I didn't say anything about your patriotism.

Mr. LEWIS. You unduly emphasized your own.

Senator CONNALLY. Oh, no; I don't. I was trying to disabuse your mind of any idea that because I happened to be from the South that I was interested in these southern operators.

Mr. LEWIS. Thanks, Senator, thanks.

Senator CONNALLY. I don't know any of them and I don't know any of the northerners, but I do know the public interest, I think, and I am only trying to serve that; I am trying to find out your attitude as to whether or not you are going to say to the country, "It is either get this 40 cents or there won't be any coal."

Mr. LEWIS. No; I have explained that you are wrong on that.

Senator CONNALLY. I didn't say that was your attitude; I asked you and you said "No."

Mr. LEWIS. Are you hoping that might be found to be my attitude?

Senator CONNALLY. Oh, no.

Mr. LEWIS. It is a vain hope, anyhow.

Senator CONNALLY. I am not trying to do anything but find out the facts. You are here to testify and answer any respectful and courteous questions.

Mr. LEWIS. There is just a pound of bacon involved, a pound of bacon a day for those families; they think they are entitled to it; we think they are, too. We think we are going to try to get it. That is just an opinion on my own part. However, that isn't conclusive, in my opinion. Somebody might go out and be able to convince these mine workers throughout the country to repudiate my conclusions.

Senator CONNALLY. I don't think there is any possibility of that.

Senator BREWSTER. When you say 70 percent of the industry, Mr. Lewis, do you mean that is 70 percent of the production or the number of companies, or how do you measure that?

Mr. LEWIS. Seventy percent of the total production and a like percentage of the total men employed in the industry. Now I will break that down for you. That means the northern half of the Appalachian area with about 55 percent, to be exact, of total production in the Appalachian area; means all the mines in the bituminous areas, outside of the Appalachian area who have stipulated or agreed that they will accept this basis negotiated in the Appalachian conference implying any wage increases or improved conditions there. It also means the South, captive production in the country, consumer-owned mines in the larger sense of those owned by the steel companies, who have advised us that this agreement is satisfactory to them in the

North and that they will accept this agreement in the South any time their commercial neighbors accept it.

But in the meantime they are willing to work in the South on the President's proposal, retroactive——

Senator BREWSTER. Now what about this question of railroad rates that we see more or less frequently mentioned? Does that have any bearing on the question?

Mr. LEWIS. It did have before these prices were fixed under the Federal Coal Act, but with the coordination of prices at destination point on all coals from all mines in this tremendous area it means that full consideration has been given to the freight rate factor, cost of transporting to that market has been computed against a weighted balance, and average in the whole field, and that there is no longer any claim that anybody can put another at a disadvantage by reason of freight rate differentials. We firmly believe in the coal industry, of course, that the service charged by the railroads for transporting coal to market is too high in comparison with other commodities. That is a question of equity which goes to the whole rate structure in the coal industry, coal being 30 or 40 percent of the total volume tonnage of all our railroads in normal years, somewhere around there, probably down to one-third now, and we think that rate structure basically and inherently is too high for the service rendered.

For instance, it used to cost more to take a ton of coal from the anthracite field down at tidewater in trainload lots than the same railroad would charge for hauling a carload of perishable grain from Buffalo to tidewater in single carlots, subject to shrinkage and subject to all the protection that perishable goods must have in transit. But those are equities that run deep into the question of the whole rate structure and can only be rectified as the Commerce Commission through the years is able to apply rectification.

Senator BREWSTER. It is your position that the Guffey Coal Act has remedied that so far as presenting a problem to the mine owners and operators is concerned?

Mr. LEWIS. Oh, yes, sir; quite so, completely so.

Senator BREWSTER. That is represented as a factor in the mining cost?

Mr. LEWIS. The cost of production f. o. b. the mine, the quality of the product, variation in B. t. u.'s, sulfur content, its ash, its fusing points, and all those sorts of things are considered. The higher prices those quality coals obtain in the markets and the cost of transporting that coal by all rail or by combined rail and water rates to markets. Those are all included in that correlation of destination prices at the point where the consumer gets the coal.

Senator BREWSTER. Now do you agree with this figure which I think both the operators have used, that the actual costs of this change in wages would be approximately 3½ cents per ton?

Mr. LEWIS. On the differential.

Senator BREWSTER. Yes.

Mr. LEWIS. Yes, that computation is based on the 1937 figures of the Department of the Interior on cost accounting. That was the period in which it was based. The rate structure of the Guffey Act now since that time, since 1937, that cost in production has decreased and it is unlikely that this differential will cost 3½ cents. It may be

entirely true that it may be more; probably it will cost about 2½ cents, but we cannot demonstrate that because the figures on reduction on cost in 1937 are still in possession of the Department of the Interior Coal Division.

Now, Mr. Putman made a statement here that the total cost to his constituents of this contract negotiated was about 35 cents. Our figures on that, prepared by our Major Tetlow, who was formerly chairman of the Bituminous Coal Commission before it was taken over by the Department of the Interior, reveal an outside cost for our entire program of 17 cents a ton, 17 cents a ton to the whole Appalachian area. Secretary Ickes within these last few days issued a public statement saying that there is now a margin of 18 cents a ton between the cost of production as allowed the consumer under the act and the amount he is receiving as realization on his product.

In other words, our entire wage program, according to Secretary Ickes, can be absorbed in this margin without any increased cost to the consumer. I don't say that; Secretary Ickes says so. We are not even asking that that be so, because we think that there ought to be a hearing and a finding of fact on the thing, with all parties in interest represented under the law, but we offer that as being the current figures on it. Now we further assert that if you want to ask the Coal Division, Department of the Interior, coal cost accountant to come down here to project the cost of this wage increase forward into the industry that they will tell you that Major Tetlow's figure of 17 cents is as nearly accurate as they can project it at this time because it is based on actualities.

Senator BREWSTER. You do have considerable confidence in the determination of these Government agencies.

Mr. LEWIS. Under this cost accounting agency, under the Department of the Interior here we think is the best in the world; that was set up under Major Tetlow, then chairman of it, and Mr. Tryon of the Bureau of Mines, who was the leading cost accountant, I think, of this country, and Mr. George Lamb who now has charge of that Division. We have in him utmost confidence as to his probity and his extraordinary ability.

Senator BREWSTER. Do they ever recognize any difference in the cost of living in various sections as one factor to be taken into account?

Mr. LEWIS. Well, under this act it doesn't have anything to do with the cost of living or wages as such.

Senator BREWSTER. I am speaking now of the more general question of wage determination. It costs us a lot for coal up in New England.

Mr. LEWIS. That question is often raised, but here is the fact, Senator; there is no advantage to the coal miner, no matter where he lives, because largely he gets his supplies from the company stores. His place of living is remote from the ordinary lines of communication to the big cities.

Senator BREWSTER. Is that general all through the mines?

Mr. LEWIS. That is general; they don't live in large communities; they live in coal camps, generally speaking; they deal at the company store; the company store sees that they are charged enough for the supplies, no question about that. I don't think there is any doubt about that; I would be glad to go into it, if you want to, but the company stores are run for profit and the price the miner has to pay there

is oftentimes in excess of what he has to pay in the larger centers of population in this country, so it is people have to pay, so there is no advantage on the cost of living; it doesn't exist.

Senator BREWSTER. You think it costs them just as much farther south as it does in the most northern coal area?

Mr. LEWIS. Certainly, in the mining districts; I wouldn't say that applied to every industry under special conditions, but with the mining industry with which I am familiar there is no difference whatsoever.

Senator BREWSTER. You think that any examination by the Government would show that to be the case?

Mr. LEWIS. I am quite sure of that. You will understand that, leaving all sentiment out of it, many coal companies aim to charge enough for their goods in the company store to get all the free money that the miner has after he pays his house rent, his coal, his electric light, his water, this doctor, and the other deductions which the companies make.

Senator BREWSTER. We have never been blessed with that system.

Mr. LEWIS. They make that a practice; we are well fed.

Senator BREWSTER. I am not as familiar with that section.

Senator CONNALLY. You are better fed than I am.

Mr. LEWIS. We talk hunger but we rarely go hungry ourselves, you and I.

Senator BREWSTER. Mr. Lewis, do you recognize that there are certain problems presented to management in connection with these retroactive agreements?

Mr. LEWIS. Mr. Ickes has taken care of that, Senator. Mr. Ickes just said publicly—I can get you his written statement if you want it; he just said there is 18 cents velvet to take care of it right now. Now, I don't say that; Mr. Ickes says that.

(The statement referred to was marked "Exhibit No. 43" and is included in the appendix on p. 688.)

Senator BREWSTER. Up to this time you have accepted every suggestion made by a governmental agency as to the solution of this problem?

Mr. LEWIS. I think that is a perfect record. Are you going to spoil it now by suggesting some oblique approach to it?

Senator BREWSTER. I was asking whether or not you were going to continue to maintain so good a record.

Mr. LEWIS. Well, that is a purely hypothetical question and I can't answer.

Senator BREWSTER. You have been completely in accord with the President's proposal for solution?

Mr. LEWIS. I stand squarely with him on it.

Senator BREWSTER. Which happened to be precisely the one you had previously proposed?

Mr. LEWIS. A strange coincidence, but true.

Senator BREWSTER. There was much more of a meeting of minds than there was last fall?

Mr. LEWIS. Senator, since you bring that up, I will agree with you again.

Senator BREWSTER. Now you interpolated a little possible political implication by bringing Mr. Coolidge's name into this matter.

Mr. LEWIS. Not President Coolidge.

Senator BREWSTER. You suggested this Coolidge might have been a distant cousin of his; that is perhaps pretty remote, but he might also have been a distant cousin of Senator Marcus Coolidge, who was the Democratic Senator of Massachusetts, mightn't he?

Mr. LEWIS. I couldn't possibly say or pose as an expert on that question.

Senator BREWSTER. You would agree that was at least possible?

Mr. LEWIS. I don't want to buy a pig in a poke on this genealogical question.

Senator BREWSTER. You have taken the proposal of the President; you have taken the proposal of Dr. Steelman; you have taken the proposal of the National Mediation Board, which was identical with the President's proposal; is that correct?

Mr. LEWIS. Yes; and which by the way is logic which must have appealed to them if, after all the time sitting on it, they again emerge with it.

Senator BREWSTER. Do you "remember now thy Creator in the days of thy youth"?

Mr. LEWIS. If we get to quoting Scripture here——

Senator BREWSTER. How long ago was that Board constituted by the President?

Mr. LEWIS. Well, in comparatively recent time, but don't forget this——

Senator BREWSTER (interposing). Wouldn't it have been rather ungracious if this Board had arrived at any other conclusion than the President had previously promulgated?

Mr. LEWIS. Don't forget one very important member of this Mediation Board was Mr. Walter Teagle, of the Standard Oil Co.

Senator BREWSTER. I think you have quite an extensive acquaintance in New York yourself, Mr. Lewis.

Mr. LEWIS. I merely point out that the Standard Oil Co. agreed to this formula.

Senator BREWSTER. Are they interested in the coal business?

Mr. LEWIS. Well, there is a good deal of oil money, Standard Oil money, in the coal industry; I couldn't say the Standard Oil Co. as such.

Senator BREWSTER. I thought up our way there was a little rivalry between coal and oil.

Mr. LEWIS. There is a good deal of oil money; they make money in the oil industry and sometimes invest it in the coal industry.

Senator BREWSTER. But the question which I want to come down to is whether if, any other suggestion should be made by any other competent Government agency as to the arbitration of what seems to be a regrettable difficulty, you would be inclined to accept arbitration.

Mr. LEWIS. I don't think you can continue to find Government agencies. How much do you want? We have accepted three.

Senator BREWSTER. It doesn't seem to have solved the problem.

Mr. LEWIS. And to tell you the truth we see no justification for the suggestion of arbitration in an industry where 70 percent of it has reached joint conclusions.

Senator BREWSTER. I quite recognize your position there, Mr. Lewis. You simply feel that when 70 percent of the industry have agreed with labor that there is not much left to arbitrate?

Mr. LEWIS. That is right.

Senator BREWSTER. So you wouldn't be inclined to arbitrate the situation any further?

Mr. LEWIS. The decision wouldn't rest with me anyhow because all I have is the power of recommendation in the premises, and I certainly would recommend against it.

Senator BREWSTER. You don't recognize yourself at all as a Charlie McCarthy?

Mr. LEWIS. Well, I am a servant of the mine workers; I recognize that; they pay me a salary.

Senator BREWSTER. You have made it clear.

Mr. LEWIS. And I try to represent them with reasonable honesty—and I recognize that honesty is a comparative term.

Senator BREWSTER. You do, then, state, as I understand, that you would recommend strongly against the submission of this controversy any further to arbitration?

Mr. LEWIS. Oh, yes; but I also suggested that the mine workers of course would have the right to exercise their own discretion in spite of my recommendation.

Senator BREWSTER. I understand your criticism of Mr. Putman's proposal was because he confined his arbitration to the single question of wages and you wanted to introduce the question of working conditions and so on, if that were eliminated, so that the whole question were open with work resumed tomorrow, with any sort of wage increase, you would still not feel that should be arbitrated.

Mr. LEWIS. I think I would be a very poor servant of the mine workers if I would place their interests in that kind of jeopardy.

Senator BREWSTER. You wouldn't recognize any higher obligation to the country?

Mr. LEWIS. I recognize the same obligations to the country as you do; no more, no less.

Senator BREWSTER. You certainly do feel that the operators should recognize their duty, the mine workers should recognize their duty to their country above their special interests?

Mr. LEWIS. And we think we have recognized our duty.

Senator BREWSTER. Up to the point, but you now say you think you have gone as far as you should?

Mr. LEWIS. There is always a point of demarcation there.

Senator Brewster. And you have reached that point?

Mr. LEWIS. And you and I may differ as to where self-interest wanes and patriotism begins, or quits. That is purely academic; there is no point in discussing that.

Senator BREWSTER. But you have made it very clear, Mr. Lewis, that up to now you have been completely satisfied with Government proposals, but if the Government should propose that this whole controversy should be determined by impartial governmental arbiters, you would not agree to that?

Mr. LEWIS. I would not recommend that.

The CHAIRMAN. This committee is not out for any humorous performance; we want facts and we expect the respect to which a Senate committee is entitled, Mr. Lewis.

Senator BALL. Does this favored-nation clause in this contract agreement that has been initialed apply to just the wage scale or to all the provisions of the country?

Mr. LEWIS. Applies to all the provisions of the agreement and let me say this, Senator, it is not a new device. For many years, when the old central competitive field conference was the basic arrangement of the industry, that is, Illinois, Indiana, Ohio, and western Pennsylvania, the rest of the industry always stood by until that central field made its agreement, just as it now stands by while the Appalachian area makes its agreement shift of production it always contained a so-called guaranty clause or protective clause; in other words, the operators who made the agreement wanted protection against more favorable agreements being given to their competitors by the United Mine Workers, so since the Appalachian conference has been set up, as Mr. O'Neill has explained to you, these operators have always insisted both North and South on the inclusion in the agreement of this guaranty protective wage clause sometimes referred to either in seriousness or derision as the most-favored-nation clause.

Now, the southern operators have been equally insistent on such a clause until at the moment it now meets with their displeasure because it interferes in their planned program. They are trying to put under way that program. You see we have no illusions as to the fact that back in the hearts of some of these so-called southern gentlemen, and some of these northern carpetbaggers who have gone down into the coal industry of the South, that there still exists the hope that by hook or crook or sundry device the day will come that the United Mine Workers of America will be washed out of their coal camps.

We don't forget that because we know them, so they are trying that little proposition now and they are in fact asking the rest of the country to go to work and leave us alone.

"We will take care of our own employees in the manner to which they have been accustomed before the union came by"—and that is what we are standing in the way of. We are saying, Senator, "They shall not pass," and they won't, take it from me.

Senator BALL. I understood you to say, Mr. Lewis, that this 40-cent differential in the daily wage is the only one that would be changed, but you are not touching differentials in tonnage rates and the others which you say amount to two-thirds or three-fourths of their total wages, so this favored-nation clause doesn't actually apply to all the wages?

Mr. LEWIS. Oh, yes, it does; because Mr. Putman told you this morning he is against the elimination of the reject system.

Senator BALL. I am talking about the wage picture. The clause doesn't actually apply to all the wages, because you would still, under this agreement, leave the southern operators some differential in their tonnage rates, or whatever it is.

Mr. LEWIS. It only agrees, though, or applies to those things that are covered in the agreement, Senator. Those specific matters set forth in the body of the agreement themselves, and those tonnage-rate differentials which we abandoned as a matter of negotiation, and as a matter of expediency and as a contribution toward the success of negotiation it doesn't apply to them; it applies, however---

Senator BALL (interposing). That is two-thirds or three-fourths of their total wages?

Mr. LEWIS. That is right.

Senator BALL. Besides the wage scale in this new agreement that you have negotiated you mentioned a vacation. That is new?

Mr. LEWIS. That is new.

Senator BALL. And the requirement that State-inspected scales be provided to weigh miners' coal?

Mr. LEWIS. That came about '33; we have scales now.

Senator BALL. That is in there now, then?

Mr. LEWIS. Yes.

Senator BALL. Then the arrangement whereby the company can reject a miners' coal for dockage?

Mr. LEWIS. That is eliminated.

Senator BALL. That is a change from the old?

Mr. LEWIS. Yes.

Senator BALL. What others besides that are changed?

Mr. LEWIS. There is a safety provision in there for the first time, providing for the appointment of safety committees to try to lower the human wastage in the industry by reducing accidents.

Senator BALL. Joint committees?

Mr. LEWIS. No; it isn't a joint committee; it is providing that a committee of mine workers who shall serve without pay shall be privileged to inspect property to determine safe or unsafe conditions, and make report to the management of the mine; that is new.

Senator BALL. Just the report; there is no compulsion on adopting it?

Mr. LEWIS. No compulsion.

Senator BALL. What else?

Mr. LEWIS. If you want them in detail I will have to dig up the paper.

Senator BALL. Any major changes? Nothing minor.

Mr. LEWIS. Things in there that run to cost; there is a seniority provision in there providing for seniority of a certain type.

Senator BALL. That is new?

Mr. LEWIS. That is new, and provides that in mechanized reduction of personnel the first man off shall be the first man employed, if he has a skill to meet the new employment. They draw from this pool; they don't have to take anybody who isn't suited as to skills for any special job, and that is new. The things that run to cost are the wage increases, differentials, the reject clause and the vacations with pay; those are the things that run to cost.

Now, on the reject claim it is impossible for us to compute the cost because its practice yet isn't sufficiently widespread so as to affect the factors of cost in the whole Appalachian area, and it does materially, however, and will, affect progressively the cost adopted by other companies, which is the present trend. We want to scotch that snake while it is still young.

Senator BALL. That isn't general now?

Mr. LEWIS. That isn't general, and as a matter of fact it is restricted to a comparatively small number of companies and areas, even in the South, but it is a growing thing because it provides the way by which a coal company can build itself a modern coal washery at the expense of the mine workers.

Senator BALL. How about this provision that Mr. Putman spoke about that is a very general one, the union reserves the right——

Mr. LEWIS (interposing). In the favored-nation clause it carries a guaranty or yields the same to the contracting parties as given to anybody else, and in that clause the United Mine Workers reserves the right, pursuant to that clause, to strike in order to maintain the integrity and the competitive part of the Appalachian agreement. That is a reservation which is intended to give the mine workers frank to make their guaranty good. That is all on matters running to the integrity or the competitive part of the agreements.

Senator BALL. You are reserving the right and power to police the agreement?

Mr. LEWIS. In such ways as we can; the only instance we can is the right to set work.

Senator BALL. Were there any demands the union made in addition to those charges?

Mr. LEWIS. Oh, yes; we added a plan in for a guaranty of 200 days' work, which we abandoned in the interests of negotiation; we thought a guaranteed employment of 200 days to men who are asked to listen to the mine whistle 365 days a year is a pretty small thing.

Senator HATCH. That would be a guaranteed annual wage?

Mr. LEWIS. Guaranty of at least 200 days' work out of 365. That would be a guaranteed annual wage equal to that amount.

Senator BALL. Per miner?

Mr. LEWIS. Yes.

Senator BALL. What do you average now?

Mr. LEWIS. The Appalachian area, about 180 days; not exactly that, no; but in that neighborhood, last year. We thought this current year the operating time would be much greater and they could afford to do that. But they resisted and pointed out that while some companies could do it, other companies perhaps could not do it, and as a practical contribution toward the continuance of joint relationship and making of agreement we withdrew the demand.

Senator BALL. Is there any other major demand not mentioned?

Mr. LEWIS. Well, we believe, of course—we demanded the 6-hour work day in the mines and we believe it is a practical thing and should be granted. We hold that 6-hour day work in the mines is all that a mine worker should be compelled to undergo in the conditions in this industry; highly hazardous, low supply of oxygen, intense nervous strain. A man in a coal mine can wear himself out in 6 hours of labor. If you make him stay 7 or 8 or 9, he stays longer hours but the record is he does not produce any more coal. The record in our industry is that since we began reducing the hours, starting with the 12-hour day years ago and down to 11, 10, 9, 8, 7, that each time the hours have been reduced the production has increased. Somewhere down the line the diminishing returns begin, but we are confident it does not begin at 6 hours, and that is an ideal to which our organization and our people are committed, and we asked for it at this time.

But again in the interests of the public we will, without any desire to impose conditions on the industry that the public couldn't understand, and believing that the public wouldn't understand an attempt to reduce hours, although we thought it would increase efficiency in coal production. We abandoned that as a contribution to the suc-

cess of the negotiations and agreed to continue on our present 7-hour base, and you will understand that the present 7 hours is not 7 hours underground; it is 7 hours at the working place of the individual mine, which is sometimes several miles removed from the place where he goes underground, and that as an average our miners are underground an hour to an hour and a half a day more than the 7 hours called for in the agreement, which the public believes is all the time they are underground, and even with a 6-hour workday in this industry, our men would be underground, subject to these conditions 7 to 7½ hours on the average in newer modern mining operations.

Now we asked for 2 weeks' vacation with pay. We did modify that in the interests of successful negotiations later to provide for a 10-day vacation period, which would take in the Fourth of July week, June 28 to July 7, inclusive, 10 days in which there are only 5 working days, and by reason of the holiday week it is a week in which there is the highest number of absentees, as the least possible shock to the industry; and it appeared to be a period of the year when the industry is at its lowest ebb, when the children are all home from school and where for a 10-day period the miner can have a vacation and go where he listeth.

Senator BALL. Close the mine down?

Mr. LEWIS. Close the mine down, because in an industry that works 180 days on the average, there is no loss to the operator, while there is a distinct advantage to the coal company in being able to plan repairs and replacement work in the mine, the substitution of heavy machinery and all those things can be done to the plant for that period, and a refurnishing period for the industry can be accomplished in that 10-day period.

Instead of getting 2 weeks' pay our miners get a 10-day leave of absence with a token payment of \$20 per man for those who have been in continuous employment for 1 year. That is the vacation and we modified that again in the interests of agreeing with these gentlemen. Now of course Mr. Putman and his conferees have been opposed to these things. They are not in harmony with safety arrangements, and may I say that 1,420 men were killed last year in the bituminous mining industry, which is an increase of 342 over the previous year. Nonfatal accidents, 1939, were 41,500, or in other words 59 men are injured for every man killed in the mining industry.

Our record of accidents is the worst in the civilized world. It is from three to five times greater than the ratio of accidents in any civilized coal-producing country. We pay an awful price in blood and bone for our efficiency in mining. We produce from three to five times as much coal per man per day employed in the industry as the mine workers of any civilized country, but we butcher this number of people to do it. Now the cost per ton from this wastage, the cost the consumer pays by reason of this loss of life, is 20 cents a ton. That enters into the cost, 20 cents a ton it costs the consumer to butcher these people. I say butcher advisedly, because many of them are butchered, and so we set up this safety committee.

Now, Mr. Putman and his crowd don't accept that. They are against it. They want the right to continue to kill people when they want to through stupidity, mismanagement, incompetence, failure to have enough money to properly operate a mine, to buy safety

equipment, or for whatever reason they want to do it, and we disagree with Mr. Putman and his associate coal barons on that right. We claim they never had that right and that they won't have it in the future. We think whenever they make an agreement with the United Mine Workers of America they are going to sign that proposition.

Now, we had a demand in there for the operators to assume financial responsibility. In their associations the operator who defaults on pay rolls, of which there are far too many—well, they plead that was a burden they just couldn't bear, so again in the interests of negotiations and being rather easy and fearful of the questions you gentlemen might ask some day, when you got around to it, we abandoned that.

Now we understood also that your committee was for the President's proposition. I got a telegram here from the chairman of this committee; it says the committee is in entire agreement with the President's proposal. Well, so are we. That just makes it unanimous between the United Mine Workers and this committee, and what are we going to do about it to get the President's proposal accepted? Why not call before you the gentlemen who have the power to say yes or no in this situation and ask them?

Senator BREWSTER. Mr. Lewis, isn't this a fair statement, that up to the present time all the Government agencies concerned have adopted your proposal for settlement of this problem?

Mr. LEWIS. With becoming modesty, I say, yes.

Senator BREWSTER. And as long as the Government agencies did that it was all right, but I understand that if any Government agency should dare to suggest that any of these questions should be arbitrated you would say no?

Mr. LEWIS. No, you don't understand that at all, and I don't think you can put words in my mouth.

Senator BREWSTER. You would recommend against it, is that perhaps fairer, you would recommend against it?

Mr. LEWIS. Why would the Government agency, in the face of this record, or some hypothetical Government agency you are talking about evolve such a fantastic proposition as a solution to this major problem?

Senator BREWSTER. Mr. Lewis, you have testified here today that you have had great confidence in the Government agencies determining costs and operating in this question. Have you not?

Mr. LEWIS. Oh, yes.

Senator BREWSTER. And that you want to see a solution of this question, have you not?

Mr. LEWIS. Oh, I admit that.

Senator BREWSTER. I come up against the stone wall of assuming that you do a certain injustice to the patriotism of labor in suggesting that labor would not be willing, or at least you would not recommend that labor should arbitrate the questions here involved.

Mr. LEWIS. I am perfectly familiar with the problem that you are up against. You are up against the question of deciding who is right or who is wrong in this situation, and you think, if you could find another Government agency to revert to that would give you more time to decide that question. I have no sympathy with that point of view.

The CHAIRMAN. This committee is not hunting for time; we are trying to get coal and trying to find out what is behind this difficulty,

and I think we are arriving at a conclusion which we will make public when the time comes.

Mr. LEWIS. The Senator is asking hypothetical questions.

The CHAIRMAN. We are going to arrive at a conclusion before we quit.

Senator HATCH. I want to ask the witness if he will produce for the record the statement of Mr. Ickes that you mentioned.¹ Will you have that put in the record?

Mr. LEWIS. Yes.

The CHAIRMAN. I will order that put in the record, and we would like to have, Mr. Lewis, a copy of the agreement with the northern mine workers put in the record.²

Mr. LEWIS. You mean the 18-cent thing?

The CHAIRMAN. Yes.

Mr. LEWIS. Here it is.

The CHAIRMAN. Now we would like to have a copy of the agreement between you and the northern operators.

Mr. LEWIS. We only have the one copy that is initialed and in our office, but I will try to get you a copy from Mr. Van Horn.

(The agreement referred to was marked "Exhibit No. 44" and is on file with the committee.)

Senator MEAD. Mr. Chairman, one question. Mr. Lewis, when I was questioning Mr. Putman he left the impression that they were prepared to leave this controversy to arbitration, but I took it from his answers that he had in mind the arbitration of only wage standards, and that though it was augmented by your argument that you wanted to consider such questions as the hazard to human life, the rejection of coal output, now do I understand it correctly that Mr. Putman and his organization are willing only to consider the arbitration of wage standards, rather than working conditions and labor relations?

Mr. LEWIS. I don't know what his attitude is, except he said it here.

Senator MEAD. He didn't mention anything about working conditions or labor standards; he said this morning they offered a dollar a day.

Mr. LEWIS. Yes, sir, at the mediation, but that was contingent on every rule of the contract being retained as it was in the old contract, which eliminated all these considerations I am talking about.

Senator MEAD. In other words, he ruled out all other considerations except wages?

Mr. LEWIS. As I understood it.

Senator MEAD. Mr. Chairman, if I may I would like to ask Mr. Putman if in any future arbitration, would you allow the arbitrators power to negotiate not only wage standards but working conditions and employer and employee relations and all other matters subject to controversy?

Mr. PUTMAN. Our proposal that I read to you was intended to include it all.

Senator MEAD. Everything?

Mr. PUTMAN. Yes.

The CHAIRMAN. Any other questions? That is all.

The committee will recess until 10:30 tomorrow morning, when I want the same witnesses who testified this morning and the same

¹ Previously entered as Exhibit No. 43, see appendix, p. 688.

² Previously introduced as Exhibit No. 40, see appendix, p. 683.

others who are here today to be in this room at 10:30. The committee has not as yet recessed. We are hoping that these men may see the light between now and the time we have to meet in the morning and be mining coal. That is what we want. We want coal for the benefit of national defense in this country. We will discuss it further in the morning at 10:30. The committee is adjourned.

(Whereupon, at 2 o'clock, the committee recessed until 10:30 Tuesday morning, April 29, 1941.)

INVESTIGATION OF NATIONAL DEFENSE PROGRAM

TUESDAY, APRIL 29, 1941

UNITED STATES SENATE,
SPECIAL COMMITTEE INVESTIGATING
THE NATIONAL DEFENSE PROGRAM,
Washington, D. C.

The committee met at 10:35 a. m., pursuant to adjournment Monday, April 28, 1941, in room 335, Senate Office Building, Senator Harry S. Truman presiding.

Present: Senators Harry S. Truman, (chairman); James M. Mead, Tom Connally, Carl A. Hatch, Joseph H. Ball, Ralph O. Brewster.

Present also: Hugh A. Fulton, Chief Counsel, and Charles P. Clark, Associate Chief Counsel.

The CHAIRMAN. The committee will come to order. Mr. Roberts, of J. E. Greiner Co., will be the first witness.

TESTIMONY OF W. C. ROBERTS, PROJECT ENGINEER FOR FORT MEADE CANTONMENT, J. E. GREINER CO., BALTIMORE, MD.

The CHAIRMAN. Will you give the reporter your name and connection, please, Mr. Roberts?

Mr. ROBERTS. W. C. Roberts, project engineer until April 18, 1941, for the Fort Meade Cantonment, representing the J. E. Greiner Co., Consulting Engineers, Baltimore, Md.

The CHAIRMAN. I want to say to those people who are here expecting to be called for further hearings on the coal situation that they are excused. There will be no further hearing on the coal program. It has been settled, much to our satisfaction.

Mr. FULTON. As I understand it, you were employed by F. W. Greiner & Co., which held the architect-engineering contract for the construction of Fort Meade, is that right?

Mr. ROBERTS. Yes, sir; except that it is the J. E. Greiner Co.

Mr. FULTON. Did you participate in the negotiation of the contract for the Greiner Co.?

Mr. ROBERTS. I did not participate in the negotiations. The negotiations were made by Mr. H. H. Allen, member of the firm, and Mr. C. M. Soule, associate engineer of the J. E. Greiner Co.

Mr. FULTON. So that it would be better to obtain facts with respect to that from Mr. Soule, who can be here tomorrow.

Mr. ROBERTS. He would be more familiar with that transaction.

Mr. FULTON. And did you start work on the contract as soon as the Greiner Co. obtained the contract?

Mr. ROBERTS. As soon as the contract was awarded, I engaged on the work.

Mr. FULTON. As I understand it, the Greiner Co. now has an additional contract for construction of a naval base.

Mr. ROBERTS. We have charge of the architect-engineer's designing and lay-out of Marine Barracks at New River, N. C., which is a marine base supervised by the Navy.

Mr. FULTON. So far as you know, does it have any other Government contracts?

Mr. ROBERTS. No, Sir.

Mr. FULTON. Would you tell us something of the——

Mr. ROBERTS. I would like to amend that statement. We have a double swing bridge for the United States engineers in North Carolina, a small job near Norfolk.

Mr. FULTON. Would you tell us something of the organization and past experience with which the Greiner Co. approached the Fort Meade project?

Mr. ROBERTS. The Greiner Co. makes its living by handling large and unusual jobs. I do not have with me a list of the very many jobs of considerable magnitude that have been handled. The previous work from which some of our organization was brought to Fort Meade was consulting work for the Pennsylvania Turnpike, a job of some \$70,000,000 cost, and we have designed the McComas Street Terminal in Baltimore, which is approximately \$9,000,000 as I recollect it, and we have designed a great many large bridges and other facilities.

Mr. FULTON. Would you explain to us what the designing and lay-out work at Fort Meade generally would be; that is, would you tell us first what the Army gave you and the instructions that it gave you, and then the general nature of the work that you had to do for the fixed-fee contract which you obtained?

WORK OF THE J. E. GREINER CO. IN CONSTRUCTION AT FORT MEADE

Mr. ROBERTS. The Army gave us whatever information that they had at the time, which was rather scanty for the purpose. We contacted the War Department in Washington and appealed for more information. All of the officials concerned did everything in their power to get what information they could, and sent one of their lay-out men, a Mr. Hutchison, who has had some years of lay-out experience, to Meade to assist us in our initial problems. They also furnished us with the so-called typical lay-out of a square division.

Now, in fairness to the War Department the fast changes in Europe were making it rather hard to tell just exactly what the organization should be, and as a result of that we were told to build for a square division and to provide for a possible expansion of one-third more facilities, which would accommodate, as we understood it, a triangular division. And then we were furnished the O. Q. M. G standard plans for barracks, mess halls, theaters, and other standard buildings which we were supposed to place on the ground in the proper positions and to get the general design of the camp to conform functionally as far as possible to the lay-out of the square division insofar as the terrain of that particular locality would permit.

Mr. FULTON. Could you tell us when the Greiner Co. first started its work?

Mr. ROBERTS. On September 28 we moved into the camp and made an immediate examination of the available terrain. We took with us several experts.

Mr. FULTON. From your own organization?

Mr. ROBERTS. From our own organization; and we also contacted the post commander, possibly not on that day but the next day, probably. We found him to give us a great deal of assistance. He did all in his power, as did all of the post officers.

Mr. FULTON. I note that the negotiations for the services of your company were dated September 21, which would mean that they took place 1 week before you entered on the project. Is that right?

Mr. ROBERTS. Yes, sir; that is right.

Mr. FULTON. And prior to the 21st of September did you have any information, or were you furnished with any information, about the camp?

Mr. ROBERTS. No information that came to my notice.

Mr. FULTON. Between the 21st of September and the 28th I assume that they had given you these typical lay-out plans that you referred to.

Mr. ROBERTS. It is my understanding that during that period the War Department got together all of the available information that was at their command, and I could not say on which particular day it was passed to us, but it was very close to September 28.

Mr. FULTON. Did they give you specific information on Fort Meade, and on the location of buildings and roads and sewers at Fort Meade?

Mr. ROBERTS. The location of the buildings at Fort Meade was the job of my company.

Mr. FULTON. And the Army did not furnish you with any plans as to where they should be located?

Mr. ROBERTS. They did not furnish us with lay-out plans because our fee was based on the fact that it was up to us to plan those lay-outs and present them to the War Department for approval.

Mr. FULTON. Did they furnish you with plans as to where the sewers were to be, for example, or the roads?

Mr. ROBERTS. No, sir. We were given a certain designated area in which to locate the cantonment. At the time of the signing of the contract it was not contemplated to build the 1,000-bed hospital on the 1,500-bed plan, so the problem, when we first moved in, was to design a cantonment to house the Twenty-ninth Division, and we were not affected by the problem of providing a location for that large hospital group of some 70 buildings.

Mr. FULTON. And with particular reference to the utilities, did they have plans or lay-outs as to where they should be in that camp?

Mr. ROBERTS. There was an existing plan that showed the utilities as left from the last war. There was no report showing the condition of those utilities. Many of those lines, water lines particularly, were wood stave pipe. It was up to us to make a complete field examination of the existing utilities and to determine which could be used and which should be discarded. We immediately proceeded to do that.

Mr. FULTON. You mean that they didn't even have a report as to the condition of the utilities that were already installed and some of which had been installed for a period of 20 years?

Mr. ROBERTS. The sanitary and water systems of the discarded camp had not been in use except for a few buildings over a period of years, and while certain portions of that were known to be in good shape, it still required a very careful field examination and check

before making use of the portions of the utilities that had not been used. That, of course, would have to be done in any case.

Mr. FULTON. And how long would that kind of a check take?

Mr. ROBERTS. Well, that check was made from the first couple of days after we moved into the camp and continued during the construction for possibly another month, or even more.

Senator BREWSTER. How much was your fee for this job?

Mr. ROBERTS. Our original fee, sir, was very small for the responsibility that the architect-engineer carries. It was \$40,120.

Senator BREWSTER. And for that fee what did you furnish?

Mr. ROBERTS. For that fee we furnished a type of organization where every department head had a very fine record for past performance.

Senator BREWSTER. That was out of your organization?

Mr. ROBERTS. This was out of our organization, yes, sir.

Senator BREWSTER. Now, how many men did you furnish for the fee?

Mr. ROBERTS. For the fee the project engineer was paid directly by the J. E. Greiner Co., which was not reimbursable.

Senator BREWSTER. Now who was that?

Mr. ROBERTS. That was Mr. E. R. Allen for the period of September 28, 1940, until his fatal accident on January 23, 1941. On that date I became the project engineer and continued in that capacity until April 18, 1941.

Senator BREWSTER. And as—you call it project engineer?

Mr. ROBERTS. Project engineer; yes, sir.

Senator BREWSTER. That was furnished by your engineering firm without cost to the Government?

Mr. ROBERTS. Yes, sir.

Senator BREWSTER. Were there any other men furnished—I mean by your concern?

Mr. ROBERTS. No, sir; not directly furnished to the job, but the entire facilities of the J. E. Greiner Co. were available at all times. Mr. H. H. Allen, member of the firm and noted engineer, and Mr. J. E. Greiner, a very noted engineer also, participated in very many conferences concerning any lay-outs or any moves that we were making there.

Senator BREWSTER. How many men did you transfer from your organization to the Government pay roll?

Mr. ROBERTS. We transferred—I couldn't give you the exact number, except that we picked the best we had, the draftsmen and engineers and field engineers, and formed a nucleus in each department so that the direction would be immediately furnished.

Senator BREWSTER. And what did you do as to their wage?

Mr. ROBERTS. As to their wage, we gave those men generally \$25 a month more than what they were receiving to, in a small part, compensate them for the 3 hours that it took to drive to the camp and get back home, and to pay for their transportation. That was the basis, and we thought it was very equitable and economical.

The CHAIRMAN. The Government paid that, though?

Mr. ROBERTS. Yes, sir; the Government paid that.

Senator BREWSTER. Would you file a list of the number of those men and the relative wage rates?

Mr. ROBERTS. We have done that, sir. We will do it again.

Senator BREWSTER. In this record?

Mr. ROBERTS. No, sir; not in this record.

Senator HATCH. Don't your men go out on other jobs when they are away from you that require several hours of traveling from their homes?

Mr. ROBERTS. Senator, there is no work in the world as hard as building a cantonment under the conditions imposed. It is a great deal of discomfort and strain, and any one of our men could have left that job and worked for more money.

Senator HATCH. You didn't answer my question. I asked you if on your other jobs your men didn't have to drive 3 or 4 hours.

Mr. ROBERTS. When they have that problem, we give them more.

Senator HATCH. That is what I want to know. You followed the same practice in your own concern that you did with the Government?

Mr. ROBERTS. Yes, sir; standard practice.

Mr. FULTON. Of adding \$25 a month to the salary when they leave Baltimore?

Mr. ROBERTS. I would say it is generally more, sir, finally depending on the position in which we put the man and where the location is, and what are the living conditions.

Mr. FULTON. I am speaking of jobs outside of Baltimore that can be reached in an hour or so. Do you pay \$25 a month for all such jobs?

Mr. ROBERTS. Well, I would say that it is a standard practice. I wouldn't like to say that in every case, with every man, that exactly that was done.

Mr. FULTON. Can you name three or four projects within 20 miles of Baltimore where that was done?

Mr. ROBERTS. Yes, sir. We have sent men to the Potomac River Bridge and given them an additional sum to take care of the increased living conditions; we have done the same thing on the Susquehanna River Bridge. Potomac River Bridge is near Washington, while Susquehanna River Bridge is a little more than 20 miles from Baltimore.

Mr. FULTON. Are those within 20 miles of Baltimore, where they can live in Baltimore and travel to and from work?

Mr. ROBERTS. Sir?

Mr. FULTON. Are those projects where they can live in Baltimore and travel to and from work?

Mr. ROBERTS. It is possible, yes, sir. Some did.

Mr. FULTON. And was that amount \$25 a month or more or less?

Mr. ROBERTS. I would state that that was a fair average.

Mr. FULTON. A fair average?

Mr. ROBERTS. Yes, sir.

Mr. FULTON. I note that on August 28, 1940, one month before you started work, a board of Army officers concluded that the expansion of the camp was to be in the form of a tent camp. Were you given those or different instructions when you started work one month later?

Mr. ROBERTS. The instructions that we were given were that the standard wooden type of buildings would be constructed at Fort Meade.

Mr. FULTON. So that some time in that 3-week interval the camp or type of camp was changed?

Mr. ROBERTS. It must have been. I had no participation in that.

Mr. FULTON. Now, the recommendation of the Army board says that "The entire division should be quartered in temporary cantonment type buildings in the Franklin area, and if that is to be prohibited, a tent camp must be established." It proceeds to say "All water and sewer mains are installed in this area, and little if any expense would be incurred in this work."

Did they give you the papers, if any, on which that recommendation was made?

Mr. ROBERTS. No, sir; I have not seen them.

Mr. FULTON. And they recommended that a thousand-bed hospital be established by the erection of wooden buildings east of the post hospital, using both sides of Seventh Avenue. I thought you said that you were not told to put in a hospital at that time.

Mr. ROBERTS. When we were given the contract it was contemplated to enlarge the existing post hospital, or alter another building in order to get the necessary hospitalization. That was very shortly thereafter changed to the construction of a thousand-bed hospital on a 1,500-bed plan, which would be entirely separated from that portion of the permanent post.

Mr. FULTON. As I understood it, it was part of the duty of the Greiner Co. to examine the entire post situation and to place the buildings in the situations where the Greiner Co. thought that they could be constructed with the least difficulty and most expeditiously. Is that correct?

Mr. ROBERTS. That is not correct in its entirety. I would say that the Greiner Co. was given a certain designated area in which to locate the bulk of the buildings for the Twenty-ninth Division.

Mr. FULTON. Was that the area—what was that area?

Mr. ROBERTS. That area was what is known as the Franklin area, and was indicated on the map by the post commander as the area in which the cantonment should remain. Then our problem from that point on became that of placing the general lay-out within that area as efficiently as we were able to do it.

Mr. FULTON. The Franklin area was a much smaller area, wasn't it, than the one that was ultimately used?

Mr. ROBERTS. The Franklin area was adjacent to the Annapolis road, and at the time that that selection was made I believe that almost all concerned thought that the camp could be fitted in less area than it ultimately required. However, that fact was developed after several days.

Mr. FULTON. By the Greiner Co.?

Mr. ROBERTS. By ourselves. We laid out the camp and developed the various regimental areas, and had a check of these layouts by Mr. Hutchison, from Washington, who assisted us in determining what were the proper clearances to obtain between buildings, what width roads to have, and so on.

Mr. FULTON. Hadn't they determined those factors before?

Mr. ROBERTS. They had, yes, sir; but at that particular time it appeared that major changes were taking place in the European organizations, and I believe that from what I could gather the War Department wanted to preserve the Fort Meade cantonment in such shape that it could accommodate the square division of the 29th Division or could be quickly changed to adapt itself to a triangular division, which is set up on a different basis.

Mr. FULTON. Do you mean by that that Fort Meade was to be built in such a way that it could actually house a substantially greater number of troops than the number that were contemplated to be put there?

Mr. ROBERTS. With the addition of a certain number of barracks only. There would be sufficient roads there, sufficient electrical system, sanitary system, and everything except the house connections for the barracks, to house one-third more population, and if that were done, the unit cost per man housed at Meade would drop way down.

Mr. FULTON. You mean by that that Fort Meade has really been built for a much larger number of troops than are there, or are at present expected to be there?

Mr. ROBERTS. I think it was a very wise provision.

Mr. FULTON. I didn't ask whether it was wise. You mean that has been done?

Mr. ROBERTS. Yes, sir, that has been done, and that was done on instructions from the War Department.

Mr. FULTON. When did you get those instructions?

Mr. ROBERTS. We got those instructions when we first attempted to lay out the cantonment to fit down in the southern portion of the Franklin area.

Mr. FULTON. You mean, then, that within a week or so after you started you were given instructions to, in effect, enlarge the camp by one-third?

Mr. ROBERTS. I would say we got it within 4 days. The fact developed from our attempting to lay out the camp by squeezing down into the Franklin area. We tried to provide a regimental group adjacent to the Annapolis road, with a central parade ground just west of that, and then we put several regiments west of the parade ground. Now, we did that on the assumption that the provision for expansion to take care of some possible change in the organization of the divisions, that we could do that because we didn't have to leave any blank spaces within the regimental areas to provide for future buildings. That fact was discussed and developed and we received our instructions from the War Department by October 4, that we should take care of that possible change, and we had to open the regimental groups up, and it made them larger and it made us go farther north, then, to get the cantonment located on the ground.

Mr. FULTON. Then within 1 week they instructed that the camp be changed in type to fit conditions which they were currently discussing with you?

Mr. ROBERTS. I wouldn't like to put the blame on the War Department.

Mr. FULTON. I am not asking blame. I am just asking time. Within a week the structure of the camp was changed completely from the one they had given you at the time the contract was negotiated?

Mr. ROBERTS. That is right, but it was our interpretation of the information that we had that caused us to first lay out a closed group.

Mr. FULTON. And at that time it became apparent that the area which they had recommended for the camp would only be a part of the area that would be needed, is that right?

Mr. ROBERTS. I don't know how far they figured that the Franklin area extended. It may possibly have been considered to extend all the way up along the Annapolis road, which would be sufficient.

Mr. FULTON. And the part of that Franklin area was part of the old World War camp, was it not?

Mr. ROBERTS. Part of it, the lower southern part, which had a much better terrain. It was flatter, it was served by existing roads, and conditions were much better there, and some utilities, sanitary system, and some water pipes were there.

Mr. FULTON. And when it became necessary to enlarge the camp it would be necessary for you to determine where the enlargement should take place, whether you would proceed to use other parts of the old World War cantonment or whether you would build to this Annapolis road, isn't that right?

Mr. ROBERTS. Yes, sir. It was necessary for us to make recommendations as to where we considered the best location would be for the camp from a standpoint of engineering and cost, and then we would have to submit those recommendations to the proper military authorities, who should then determine on a basis of military functioning.

Mr. FULTON. Well, did you study the possible locations for buildings, and did you determine to make recommendations to the Government with respect to where they should be located?

Mr. ROBERTS. Yes, sir; we did that, particularly with reference to the large hospital group and the tank and antitank battalion areas.

Mr. FULTON. Did you recommend that those be located in the area that had sewers and roads and other facilities which remained from the World War construction, or did you recommend that they be located where they are now?

Mr. ROBERTS. No, sir; we did not recommend that they be located where they are now. Mr. E. R. Allen, who was project engineer at that time, and I, worked together every minute. He had served in the R. O. T. C. camps years previously at Fort Meade. He had a very thorough knowledge of the terrain all over that camp, and when we went there he realized immediately, without even any ground search, that we would have a very hard job to locate the hospital of some seventy buildings with the interconnecting covered walkways in the rolling terrain at the north end of the present Franklin area.

Mr. FULTON. Where the hospital now is?

Mr. ROBERTS. Where it now is; yes, sir. We examined every possible site, both he and myself; we took the heads of our water and sanitary departments and our electrical and mechanical engineer; we took our roads engineer; we took our site consultant, and we all agreed that there was no place for the hospital in our opinion in the Franklin area, or north of it. Based on that, we recommended that the hospital be placed west of the landing field, where the ground was sandier. It was served by existing roads; the existing sewers and water lines were available for quick connection. It was separated from the remainder of the camp and could be built independent of it, and the covered walkways, which had to be laid out on a certain grade, could be placed there connecting the various buildings without undue grading.

We felt that in our opinion if that had been done that Fort Meade would have been a memory some time ago. It would have been built much sooner.

And another thing which that brought about was the fact that placing the hospital at the north end of the camp necessitated the construction of at least 85 percent of the water and sewer systems, and also of the electric distribution systems, in order to bring those facilities from the southern end of the camp all the way through the camp and connect to that hospital group, which was in the most inaccessible and farthest part of the present camp.

In connection with that, the necessity for getting the hospital built, at least some of the buildings, in time to accommodate troops who were brought into the camp prior to the completion of the camp, consequently necessitated cutting the time of construction of those utilities again in half, with the result that in order to build those the contractor had no recourse except to put speed above everything else. There was no way to plan for economy. He had a terrific job to get there in time, and the fact that he did is a very creditable performance, in our opinion.

Mr. FULTON. The place that you recommended had, for example, concrete roads which were close to it and were already in existence, is that correct?

Mr. ROBERTS. Yes, sir; if we had placed the hospital in that particular location we would not have had, or the contractor would not have had, to use tractor-drawn sleds to bring his concrete and other building materials into the area.

Mr. FULTON. As I understand it, in the place where the hospital was built there were no roads, and in addition instead of being sandy it was a kind of a clay, or at least a more muddy type of soil.

Mr. ROBERTS. The northern half of the present camp is composed of a different type of soil material than in the lower half. The lower half is essentially sandy and the drainage is better. In the northern half there is a rolling terrain, and while it looks like that should drain very well to the casual observer, the soil has no ability to absorb the water. Beneath the top clay layers there is a type of gumbo clay and the water can't percolate into it, and when the operations involved in construction of the buildings in that portion of the camp were under way the entire surface was churned into a morass, and the water could get out of that only by evaporation, and the condition in which that upper portion of the camp had to be built was very bad. The contractor had great difficulty and great expense in conveying his materials into the building sites.

Mr. FULTON. When you spoke of tractor-drawn sleds, did you mean that trucks couldn't get up in there?

Mr. ROBERTS. Very often a bulldozer would get stuck.

Mr. FULTON. Then I take it that a bulldozer would pull a kind of sled on which the materials would be placed. Is that what you mean?

Mr. ROBERTS. It required some type of tractor-drawn power in order to pull through the mud in most of the areas. As engineers, my firm, of course, felt responsible for pointing out about costs. We made every effort in our power to have the contractor construct the roads in that upper area at an economical cost; in other words, something commensurate with normal conditions. It failed utterly for the reason that the ground wouldn't hold. As this material became wet and mud formed, the normal road laid on it was swallowed up. The War Department recognized that. Colonel Groves and General Somervell visited the site on December 16. They reviewed the situ-

ation and they saw that it would be impossible to construct a road for normal costs in those areas, and they very wisely permitted us to buy the tailings from the Montebello Tunnel excavation, or rather permitted the contractor to do so, or slag from the Bethlehem Steel Co., or any other material that would succeed in stabilizing roads through those areas sufficiently to permit the passage of anything at all.

An attempt was then made to build the roads, which had to be used at the same time for the conveyance of building materials, and it set up an unusual cost. On one area in particular we were able to prove the fact that such cost was legitimate and was not waste. The tank battalion is located in a similar clay area in the upper section of the camp, but it is to the east of the Annapolis road, and was therefore not in the center of operations. The same mud conditions prevailed through that area, so that the construction of a road we knew would be very, very costly and would require the laying of a heavy blanket of stone for stabilization prior to the placing of the road top surface.

We made our estimates of that condition and pointed out the fact that to construct the roads at that time, which was February 18, 1941, would entail a cost of three times as much as the cost of a road constructed under more normal conditions which, in our opinion, would be about one month later. We laid those facts about that particular area, and also the same facts about the muddy area leading to the magazines, before Colonel Groves on February 18, in company with the constructing quartermaster and the contractors, both of whom concurred in that recommendation. Based on that, we were all allowed to wait the month, and as a result the stone was not used for the stabilization of those roads.

But that could not be done in the large area of the rest of the northern half of the camp.

Mr. FULTON. Now, with respect to roads, you would have found that if you used the other site the roads, the concrete roads, that were already in would have been of great help as against these mud roads where you had to draw tractor sleds with bulldozers and otherwise?

Mr. ROBERTS. From a cost standpoint, and neglecting the tactical functions required, it would have been very much cheaper and would have expedited the work and the camp would have been completed at a much earlier date.

Mr. FULTON. With respect to the existing sewers, I understand that in the Franklin area, where a part of the camp was built on part of what was the old World War camp, you did find that you were able, with certain cleaning out and otherwise, to use some of the sewers, is that right?

Mr. ROBERTS. We were able to use some of the sewers, but they did not prove to be the benefit that all hoped. They were in worse condition than was expected. Very numerous replacements were required, and it took considerable inspection and study on our part to preserve the portions that were worth preserving.

Mr. FULTON. Now, with respect to the permanent post itself, I understand that was built on what was a part of the old World War cantonment. Is that correct?

Mr. ROBERTS. That is correct. That land has a much better lie to it; it is flatter, drains better, and you get away from a great many of the construction troubles that we encountered in the Franklin area.

Mr. FULTON. And in your proposed building plan you were simply following the lines of the existing post; that is, you were proceeding from that post to build along part of what had been the old World War camp, is that right?

Mr. ROBERTS. The very southern portion of the Franklin area had been occupied by a part of the last war cantonment. The other larger part of the last World War cantonment was farther west, and we were not permitted to get into that area at all.

Mr. FULTON. But I mean the post, the permanent post, was between the Franklin area and this area that you selected, was it not?

Mr. ROBERTS. It was more to the south of the former World War camp.

Mr. FULTON. And was not the permanent post itself in part serviced by the World War sewage system?

Mr. ROBERTS. Yes, sir; that is my understanding, that it was.

Mr. FULTON. So it was good enough, at least, for the permanent post; is that right?

Mr. ROBERTS. I would say that it makes a very good situation for the permanent post. At the time that we were not permitted to take over the area just north of the present post it was discussed that the permanent post would possibly have its own expansion to take care of at some future date, and that our placing the temporary camp in that area might possibly block that to some extent.

Mr. FULTON. So it was suggested that the permanent post itself might permanently be put in the area or part of the area, where you wanted to put the present camp?

Mr. ROBERTS. That was not given as an official reason to us, but I did hear it discussed. The only concern that the J. E. Greiner Co. had was that we would like to get into that better area, but we were definitely instructed not to go there but to stay in the Franklin area. When that definite ruling was made, we ceased to interest ourselves in trying to put the cantonment, exclusive of the hospital, over in that area.

Mr. FULTON. But you still were interested in putting the hospital in that area if you could?

Mr. ROBERTS. The hospital came at a later date, and we didn't feel bound by the same regulations. In addition the hospital presented a very peculiar problem of its own. The buildings are all connected by walkways which must be on certain gentle grades in order to accommodate the passage of wheel chairs between the various buildings. The result is that a very large area is required which should not be very hilly.

Mr. FULTON. Is the area on which the hospital is constructed now hilly?

Mr. ROBERTS. I would say that for a hospital of that kind it is a little more rolling than we would like to have.

Mr. FULTON. And more rolling than the area in the old World War camp that you selected for the hospital?

Mr. ROBERTS. Yes, sir. I think the area that we recommended for the hospital would have minimized the construction difficulties in all respects.

Mr. FULTON. Would it also have saved foundations and piers and material of that kind?

Mr. ROBERTS. Yes, sir; there would have been a saving in every branch.

Mr. FULTON. Now, pursuing sewage a little further, did you encounter any especial difficulties in the area in which the camp was built, as distinguished from the mere failure to have the existing sewage? In other words, was the problem increased beyond that?

Mr. ROBERTS. Yes, sir. We had the problem of locating the tank battalion and the antitank battalion in an area sufficiently large to accommodate those units. We recommended that they be placed west of the present cantonment, between the present cantonment and a site that we recommended for the hospital. The reason of that was that the tank and antitank battalions were squeezed out of the Patuxent River watershed, in which lay the sewer system which serves the cantonment. We recognized that problem as one of serious magnitude, and we brought that fact out very strongly, that if the recommended locations of the tank and antitank battalions were not approved, or if some similar situation could not be found for them, that it would be necessary to tunnel through the ridge that divides the Patuxent River watershed from the Severn River watershed, or in lieu of that it would be necessary to build about one and a half miles of sewer to follow the contour line around and get back into the Patuxent River watershed.

Mr. FULTON. You mean, then, that you had a greater length of utilities for sewage than you had originally planned?

Mr. ROBERTS. We had a very considerably greater length than originally planned.

Mr. FULTON. And were there any particular construction difficulties that you encountered in addition to the mere length of the sewage?

Mr. ROBERTS. The most economical procedure, as decided upon to solve that particular trouble, was to drive a tunnel some 700 feet long and something like 30 feet below the ground, in order to bring out the sewer that served the tank and antitank battalions. It was a job of considerable magnitude to do that.

Senator HATCH. Have you estimated what the additional cost was on account of this not following the plans and recommendations?

Mr. ROBERTS. I would hesitate, sir, to place a figure on that.

Senator HATCH. Can you give us an idea?

Mr. ROBERTS. Sir?

Senator HATCH. Could you give us an idea, just approximately?

Mr. ROBERTS. I would prefer to leave that to the contractor, sir, who kept the cost records of such operations as best he could under the conditions.

Senator HATCH. All right. The chairman tells me the contractor is going to testify.

Mr. ROBERTS. Yes, sir. I would not like to obligate him for that information.

Mr. FULTON. Now, in addition, as part of your work you were required to lay out recommendations as to what buildings should be constructed first from the standpoint of economical construction, were you not?

Mr. ROBERTS. When the J. E. Greiner Co. accepted the contract for the design of the Fort George G. Meade cantonment, we expected that the cantonment would be designed in such a way, as promptly as

possible, to permit the contractor to get into all the areas and build them in his own manner as quickly as possible.

Mr. FULTON. By that do you mean that you and the contractor would ordinarily plan in advance so that you would have the roads constructed with which to bring materials and equipment up to a given point before you tried to bring the material in there?

Mr. ROBERTS. That would be the normal procedure, sir; but under the expedited time required in cantonments of this type it is not usually possible to do it that way.

Mr. FULTON. But I mean that would be the usual way as you would do it in private work?

Mr. ROBERTS. By all means. No contractor would go into an area of that kind anyway under winter conditions, and, secondly, he wouldn't go in under any kind of conditions, even in good summer conditions, unless he built his roads first, but the time did not permit that.

Mr. FULTON. And you would also attempt to build your foundations step by step, so that the crew as they left one building could go to another building and put in the foundations there with a minimum of disorganization.

Mr. ROBERTS. That is the normal and economical way to proceed with any type of building construction. The schedule should be so laid out that there is an orderly sequence of all trades so that it is not required to work undue numbers of men in order to get out of the way of some following trade.

Mr. FULTON. But in order to do that you must have at the beginning of your work an understanding of what buildings are to be built first and what areas are to be completed first; must you not?

Mr. ROBERTS. You should. In order to hold a contractor for the economy in that particular respect, he should be allowed to build his cantonment without interruption during the constructing period. In other words, he should be held responsible for finishing all of his buildings in the whole camp by just one date, and he shouldn't, to obtain that ultimate economy, be held responsible for finishing various portions of the regimental areas prior to the general completion of the whole camp.

We realize this, of course, that the camp was being placed there to accommodate troops that were ordered in by certain times. We have no complaint about that. We merely point out, as engineers, that it costs more money to bring troops into your camp before the camp is completed.

Mr. FULTON. Well, in addition to that, is there the factor that there might be changes in the schedule of arrival of troops?

Mr. ROBERTS. Yes, sir. There were very confusing changes in this particular camp due to several reasons. One of the reasons, I suppose, was the fact that the construction in the winter weather couldn't proceed as fast as was hoped. The other reasons affecting the so-called priorities would be tied into the necessity for moving certain troops in at certain times, which of course is the problem of the War Department.

Mr. FULTON. Were you given a list of buildings at the time you were asked to design this camp which were neither added to nor changed thereafter?

Mr. ROBERTS. Additions were made to the original list.

Mr. FULTON. And how long did those additions continue, for a month or two, or right on up to the end of the camp?

Mr. ROBERTS. The additions continued until some two-thirds of the way through the camp. Certain special buildings were added as found necessary on further study.

Mr. FULTON. You mean that the War Department gave you additional buildings to put in which they said they had, since the negotiation of the contract, found to be necessary?

Mr. ROBERTS. That was not a serious item, however. Some buildings were added.

Mr. FULTON. Well, did you have to go back, would the contractor have to go back, to an area that he thought had been completed, and put in new and additional buildings?

Mr. ROBERTS. Any change of that kind contributed to the contractor's troubles, and I think he would be better qualified to state just how much that affected him.

Mr. FULTON. And were the troop schedules changed, that is, the arrivals of troops?

Mr. ROBERTS. There were some changes in priorities. The first main priority, which came after several smaller ones, which were set up in order to accommodate incoming troops, was the so-called January 8 priority.

Mr. FULTON. That was more than 3 months after you had started your work on the camp?

Mr. ROBERTS. It was set up some time previous to that date, so that the completion of certain selected areas and portions of areas should be done by January 8.

Mr. FULTON. Did that mean that the contractor would have to quit doing some work that he had planned on doing, and that was perhaps partially finished, and reorganize his men and proceed to a different area and do other work than that which had been planned?

Mr. ROBERTS. Yes; that caused the contractor to shrink his supervisory organization so that instead of providing a complete coverage of the entire cantonment area, that he should concentrate in approximately one-half of those areas, and that necessarily caused the attempt to produce a greater volume of construction in order to keep himself on the production curve which requires a certain volume of building in order to complete the entire job in time.

Mr. FULTON. It has been suggested that after housing quarters had been available for some 10 or 12 thousand men, 9 thousand men were to be brought into the camp, but that they could not be put in the housing that was available and were therefore put into completely new housing which had to be built largely with overtime. Is that true?

Mr. ROBERTS. The February 3 priority was set up because of that reason, the fact that we were instructed to provide certain housing in all of the areas so that the units of the half-strength Twenty-ninth Division, in coming in, could occupy their own areas. That may have considerable military value. However, as engineers, and looking at it from the standpoint of cost, we were naturally of the opinion that it would be well to concentrate the troops in the portions that were more nearly constructed and that they could expand from there into the northern section of the camp after the extensive construction up there had been done at a more leisurely rate.

Mr. FULTON. And did this priority that you refer to constitute one of the reasons for the large amount of overtime that had to be undergone at the camp?

Mr. ROBERTS. That had a very serious effect on the amount of overtime required, for the reason that the contractor had to readjust his schedule quickly. He had to take over something like 194 buildings in areas that he had been out of, and in turn to not concentrate on certain buildings that were fairly near completion in the January 8 priority areas, because of the fact that in the January 8 areas only those buildings would be occupied as would be required by the half-strength organization that was going to move in there. So that caused the contractor to again set up a supervisory organization to extend over all areas, and it caused the expenditure of considerable overtime work in order to expedite the construction in order to get through in the February 3 area as well as the January 8 area.

Mr. FULTON. So that all these things, if necessary for military purposes, at least added to the cost of the camp?

Mr. ROBERTS. They may have been highly desirable from the military standpoint.

Mr. FULTON. As to that—

Mr. ROBERTS. We are not qualified to answer that, but we pointed out in advance of all of these operations that in our opinion, as engineers, they were going to cost money. Now, we realize this, that it costs money merely to build a camp in winter conditions. If the national emergency demands that we all get out there and build camps in conditions that nobody would dream of in ordinary normal construction, a premium must be paid for that. As to how much extent the payment of premiums should go, it is our duty to find the facts and point them out to the reviewing authorities and let them make their selection.

Mr. FULTON. In addition to the \$40,120 fee, of course, the Government had to pay the cost of the Greiner Co.'s work. What was that total, Mr. Roberts?

Mr. ROBERTS. I don't have the exact figures with me, but the total, including the fee, is something less, as I recollect, than \$400,000, which is approximately the original allocation set aside and earmarked for that work.

Mr. FULTON. But the Government, in fact, did pay the \$400,000 for engineering services which were primarily designed to lay out the camp in the way in which an engineer would think it would be the most economical and most proper. Is that correct?

Mr. ROBERTS. That is correct, sir.

Mr. FULTON. Now, with respect to these recommendations, particularly the recommendation to use the sewers and roads and sandy level area of the old World War camp, did the Greiner Co. make those recommendations to the Army, and if so, to whom?

Mr. ROBERTS. The Greiner Co. did not make the recommendations as such. The Greiner Co. recommended locations which were naturally affected by what facilities existed.

Mr. FULTON. Well now, when you did determine that it should be built on this low sandy area, to whom in the Army did you report that the Greiner Co. was of the opinion that it should be built there?

Mr. ROBERTS. The officer in charge of the project is the constructing quartermaster, and we worked through him at all times, and he saw

to it that the proper military contacts were made and that the proper reviewing authorities were reached.

Mr. FULTON. Did you personally have any discussion with anyone other than Major Noxon concerning this, concerning the location that you recommended?

Mr. ROBERTS. Concerning the location? Yes, sir; we made up a map on October 4 showing a location of the project which we designated as lay-out A, and we presented that to Colonel Allen, the post commander, for his review and suggestions. Colonel Allen looked it over and made certain suggestions, and as a result we made lay-out 1, which we handed to Colonel Allen.

Mr. FULTON. Who was Colonel Allen?

Mr. ROBERTS. Colonel Allen was the post commander, and Colonel Allen reviewed that, approved it individually as far as he was concerned, and transmitted it to the reviewing authority.

Mr. FULTON. So that at that stage Colonel Allen has agreed with the Greiner Co., is that right?

Mr. ROBERTS. He agreed with the recommendations of the Greiner Co. at that time, because the Greiner Co. had no longer felt that we could definitely insist upon placing the camp over in the old World War section, because the Franklin area had been pointed out to us as the place to locate the cantonment, exclusive of the hospital.

Mr. FULTON. Then, going back to that stage, who pointed out the Franklin area to you as the place to locate the cantonment, exclusive of the hospital?

Mr. ROBERTS. The post commander and the constructing quartermaster, of course, were the authorities over us.

Mr. FULTON. And did you participate in any discussions with anyone else on behalf of the Army concerning that location?

Mr. ROBERTS. No, sir. We felt that those were the officials put there by the Army to supervise the work, and that we were to take those instructions.

Mr. FULTON. Then at that stage you took instructions and abandoned your own theory that it would be better to put the camp where the old World War camp was?

Mr. ROBERTS. Yes, sir.

Mr. FULTON. And proceeded to make a lay-out on the basis of going up the Annapolis road from the Franklin area?

Mr. ROBERTS. Yes, sir. We felt that the Army knew where it wanted to put its cantonment and that we should put it where they said.

Mr. FULTON. Well, now, before that, though, I assume you had pointed out the reasons why you thought the old World War camp was the better area.

Mr. ROBERTS. Yes, sir; that had been generally discussed. It was quite apparent to all concerned that it would be a better location for engineering and cost reasons, but as I say, we didn't concern ourselves with the tactical reasons.

Mr. FULTON. You had discussed that, then, with Colonel Allen?

Mr. ROBERTS. Yes, sir.

Mr. FULTON. Had you discussed it with the corps area commander?

Mr. ROBERTS. I believe not. Mr. Russell Allen may have made that contact, but I don't think so. I don't think that we felt that we were to do that.

Mr. FULTON. Then, afterward, when you had the problem of constructing the hospital, you suggested that at least if the camp couldn't be built there, the hospital could be built in the old camp area, is that right?

Mr. ROBERTS. We showed on lay-out 1, which Colonel Allen originally approved prior to the approval of his reviewing authority, the hospital located in the good ground west of the present cantonment. We also showed a dotted location north of the Franklin area where it was physically possible to place the hospital, but we recommended very strongly against putting it there, and Colonel Allen thought so too, and on the plot of the plan that he had approved individually prior to the approval of his reviewing authority he showed the hospital in its better location, and we eliminated the dotted-in location at the north of the present cantonment, where it is located at present.

Mr. FULTON. And then what took place?

Mr. ROBERTS. That led to the presentation of the recommended location to the reviewing authority, who in this case was General Parsons.¹

Mr. FULTON. The corps area commander?

Mr. ROBERTS. Corps area commander; yes, sir; who had the problem of making these selections and deciding upon whether the tactical reasons outweighed the engineering and economic reasons for locating the hospital and the tank and antitank battalions in the locations recommended by the Greiner Co.

Mr. FULTON. Now in addition the Greiner Co., as I understood, had a sewer and water consultant. Did he join you in your recommendation that the hospital be put in the old area?

Mr. ROBERTS. The Greiner Co. felt the importance of the recommendation in regard to placing the hospital in a better location than where it is at present as regards cost, and also for locating the tank and antitank battalions in the Patuxent River watershed, so that we attended a conference in considerable force. We took with us Maj. H. H. Allen, member of the firm of the Greiner Co.; Mr. C. M. Soule, associate engineer; Mr. R. Brooke Maxwell, site consultant; Mr. Walter J. McClain, electrical and mechanical engineer; Mr. W. C. Munroe, sanitary and water engineer, and the head of those departments in our organization, Mr. E. R. Allen, project engineer; Mr. W. C. Roberts, assistant project engineer; and Mr. C. R. Leland, office engineer.

We went there with what information might be required in a general discussion of that nature, and also to emphasize the fact that the Greiner Co. felt that the decision was a momentous one to make, in our opinion.

Mr. FULTON. Was the construction quartermaster there also?

Mr. ROBERTS. The constructing quartermaster was there and General Parsons and Colonel Allen, the post commander.

The CHAIRMAN. Did General Parsons make the final decision on it?

Mr. ROBERTS. General Parsons had the authority and was, as I understand, obligated to make the final decision.

Mr. FULTON. Now before that decision was made was there a general discussion at which all of the different officials of the Greiner Co. gave their reasons from a cost standpoint?

Mr. ROBERTS. The discussion that took place was in the post commander's office and the crowd that we took over there was a little too

¹ For testimony of Maj. Gen. James K. Parsons, see *infra*, pp. 471-489.

large to put everybody in there at one time, so that certain ones remained in the office adjacent to the conference room and went in as required. The various elements that affected the selection of the site were indicated by the Greiner Co. and General Parsons, I think, realized the conditions under which the construction would have to take place, and I think that he took those into consideration, no doubt, in his final selection of the site, because from that point on it became a tactical and military problem and we stepped aside.

Mr. FULTON. Was the decision made that day or at a later time?

Mr. ROBERTS. At the conference General Parsons decided after hearing all the arguments in favor of the location, to place the hospital at the north end of the present cantonment, where it is at present.

Mr. FULTON. In disregard of your recommendations?

Mr. ROBERTS. I wouldn't say he disregarded our recommendation; I would say he disapproved it for reasons of his own and later in the day, after the conference had ended, we received word that the tank and antitank battalions should be moved over into the Severn River watershed, and that that should be done for tactical reasons, in spite of the fact that it was known to cost more money to do it.

The CHAIRMAN. What was your original estimate of cost on this job?

Mr. ROBERTS. The original estimate of cost on this job, sir, was made up by the War Department and accepted at that time without examination by ourselves.

The CHAIRMAN. You didn't have anything to do with estimating the cost?

Mr. ROBERTS. No, sir; not with the original estimates. I believe that was made up from old records and based upon a certain number of men to be housed at so much money per man.

The CHAIRMAN. I have here a War Department construction program that says the original cost estimate, plus supplements as of December 15, is \$10,352,000. I am informed the camp cost about 21 millions before they got through.

Mr. ROBERTS. I think that is correct, sir, but I don't think that that particular estimate at all takes into account the magnitude of the job. It was apparently a preliminary estimate to provide funds, and it did not provide for the extent of much of the work involved. In other words, the difference between that sum and the \$21,000,000 is not waste. It is much too low and the estimate would not represent a proper cost for that camp.

The CHAIRMAN. Was your total fee \$40,000 for this job?

Mr. ROBERTS. The total fee is subject to a certain minor adjustment, sir, due to the supplements. Adjustment is made by the War Department on the basis of some curve that has been adopted as a basis of those contracts, and it would be necessary to refer to that to get the exact amount. I believe that the entire fee is in the neighborhood of forty-five or forty-six thousand dollars.

The CHAIRMAN. The original estimate was \$40,000?

Mr. ROBERTS. Yes, sir.

Mr. FULTON. How much was the fee for the Navy job that the Greiner Co. has?

Mr. ROBERTS. Personally I do not know. Maj. H. H. Allen of my firm negotiated the contract and I have as yet not received a copy.

The CHAIRMAN. General Parsons will be the next witness, if there are no further questions.

TESTIMONY OF MAJ. GEN. JAMES K. PARSONS, UNITED STATES ARMY, RETIRED

Mr. FULTON. General Parsons, would you tell the committee something of your background?

General PARSONS. I entered the Army from civil life in the Spanish-American War as a second lieutenant. I was promoted through the usual grades in the Army, served in the Philippines, Regimental Quartermaster and detailed to the Quartermaster Department when I was a captain. At the outbreak of the World War I went to France on the General Staff for quite a while; went to the front; commanded a regiment in the Argonne battle; after the battle, commanding embarkation camp at St. Nazarre, one of the biggest they had. Came home and went on duty with the National Guard of New York and later in charge of the National Guard of the Fifth Corps Area.

Sent to Leavenworth, Army War College, Navy War College; brought to the War Department General Staff in 1925; placed in charge of the mobilization branch, which I held 4 years. Relieved from that at the end of the tour. Went to Meade in command of the tanks, and at that time started mechanized forces and commanded a post. At that place I was made a general officer, sent to command the Coast Artillery district, which is from the Canadian border to the Mexican. Relieved from that and sent to the Philippine Command, Twentieth-third Infantry Brigade. Came back to Vancouver Barracks in command of the Fifth Infantry Brigade; made a major general and sent to Fort Sam Houston, where I had charge of the test of the so-called triangular division. Relieved from that and sent to the Third Corps Area at Baltimore, and in 1928 I think—

The CHAIRMAN (interposing). What was that regiment you commanded at Meuse-Argonne?

General PARSONS. Thirty-ninth Infantry, Fourth Division.

Mr. FULTON. And how long were you the corps area commander?

General PARSONS. Two years and a half.

Mr. FULTON. From what time?

General PARSONS. I got there in April 1928 and I left there in October, the 21st, 1930.

Mr. FULTON. And what construction or engineering experience, if any, have you had, General?

General PARSONS. Well, I think not—I haven't had any, but I built more C. C. C. camps than most officers.

Mr. FULTON. You built the C. C. C. camps?

General PARSONS. I built, oh, probably 100 or so.

Mr. FULTON. Were you responsible in any way for the design in those camps?

General PARSONS. No, the War Department, but I changed them. My camps are different from any camps in the Army.

Mr. FULTON. General Parsons, the committee understands the general C. C. C. camp area would be too small for use as training today.

General PARSONS. The C. C. C. camp area? Oh, that is a very small area.

Mr. FULTON. But the buildings were built with the idea of housing companies of C. C. C. boys, were they not?

General PARSONS. Two hundred. I tried to get, when this change was made at Meade, a company; it has been vacant for a long time. I tried to get a company established there so as to clean up this area so they could train the troops.

COMPARISON OF CIVILIAN CONSERVATION CORPS CAMPS AND ARMY CANTONMENTS

Mr. FULTON. Now what the committee had in mind was this, that it would have been very valuable experience for the War Department to have built C. C. C. camps along the lines that they had in mind building in the war, barracks, if we ever needed them, and the question arises whether the Army utilized the experience in building those C. C. C. camps so they would know how to build Army camps cheaply and quickly.

General PARSONS. Well, I don't think they did.

Mr. FULTON. Would you tell us something about that?

General PARSONS. Well, I think that the camps that I found in existence at Vancouver Barracks, where I started building camps, were poorly arranged and poorly built, and—

Mr. FULTON (interposing). They have been designed by the Army, have they not?

General PARSONS. By the War Department, I presume; they were sent out there.

Mr. FULTON. What department?

General PARSONS. Quartermaster's Department.

Mr. FULTON. That is the same department in the Army that was charged with making whatever plans were made for the Army camps?

General PARSONS. I might say here that the Army in making these plans were limited by the money that was allowed them by the director of the C. C. C. In other words, they didn't have entire say-so, but when it passed to what is known as the district commander or the corps area commander, and then he to the district commander who actually did the building—I built a great many camps as district commander at Vancouver Barracks, but any corps area commander instead of leaving it to the districts—I pulled it into headquarters and controlled it to a certain extent there.

Mr. FULTON. For example, could not those C. C. C. barracks have been similar in arrangement to the barracks that the Army would want to construct if it had to provide camps?

General PARSONS. Well, I know, but after you construct one there wouldn't be any object of constructing—a man can plan a camp without the necessity of building 10 to 20 million dollars' worth to find out whether it is correct or not.

Mr. FULTON. At least the building could have been built and they could have known what buildings should be built?

General PARSONS. It is a little different because there you have an educational branch and you have different things; it is entirely a different proposition, but the barracks now, the barracks could have been the same. As a matter of fact the C. C. C. barracks are 20-foot and the Army barracks are 25. There is a difference there. Why, I don't know.

Mr. FULTON. Couldn't the Army have used the C. C. C. camps as guinea pigs, I mean, to determine what types of buildings should be built and how much carpenter time it would take to build them, and

how many carpenters could economically be used in building say one unit, and various other information that would have been of assistance to contractors when they started this work?

General PARSONS. Well, you know at Vancouver Barracks—by the way, could I say here, Senator, I think you got the impression that the Army never had any plans?

The CHAIRMAN. I did.

General PARSONS. May I correct that?

The CHAIRMAN. If they did have plans, they changed them so often they didn't have any use for them.

General PARSONS. May I correct something? General Pershing started mobilization. We never had had a plan prior to his time as Chief of Staff, and everybody in the Army worked on it. And then before it was finished it was falling of its own weight because nobody knew what to do, so they then drew up the 1924 plan and everybody worked on that.

The CHAIRMAN. I worked on that.

General PARSONS. Then I criticized that plan very severely at the War College, so I was brought in and put at the head of mobilization and given carte blanche to change it, so the plan was changed, and from 400 pages it went down to 12 pages, at least in avoirdupois; a good deal simpler, a smaller weight, but at that time the whole plan was based on a 4,000,000-man plan and in the 1928 plan, which I had something to do with, the head of it, in fact wrote it, the corps area commander was made entirely responsible for the whole business. Well, that was a plan which again later—and under the plan I laid the plan at Fort Meade so I would say not in a concentrated way, but I know about Fort Meade more than any man in the Army.

The CHAIRMAN. We are glad we have caught up with the man who knows what it is about and we want to know why and wherefor.

General PARSONS. As for making that plan, we made a plan out at Vancouver Barracks. I made that plan, too, and I made it personally. When I say made the plan, I didn't have somebody else do it; I did it, because I like it. I had made the original plan and I was like a man who throws a ball and rushes out in the field and catches it himself; I made the top plan. It is very simple to draw a plan and make the detailed plan a little different, and I discovered that myself, but there they called on us for the estimate of everything and I submitted that estimate and said, "I don't think it is worth a cent. I am building C. C. C. camps at \$100 per man; we buy lumber cheaper than it has ever been bought and labor cheaper than it has ever been gotten, and conditions are different here."

I would say that those camps would cost two or three times that much, and in fact I built a camp just before this thing started at \$145 a man, and it not only was a good camp but we had to put in the water sewers and lights, everything complete, and it housed 200 men.

Mr. FULTON. A C. C. C. camp?

General PARSONS. Yes. So we did have a plan.

Mr. FULTON. Getting back to your plan on Fort Meade, I understood you to say you made one in 1928.

General PARSONS. 1930, on the 1928 plan from Washington.

Mr. FULTON. Going back to the 1928 plan in 1928, did you select this area where the hospital was actually constructed for building purposes?

General PARSONS. No; I didn't, because the hospital wasn't included in it. Now let me go on with the hospital, if you don't mind.

Mr. FULTON. Let's follow the 1928 plan.

General PARSONS. The 1928 plan—at that time the unit corps area commander allotted the troops to the different places to mobilize. At that time I had written in, at the instance of a very distinguished engineer officer we had then, that it was foolish to build big cantonments, and so we wrote in the plan that buildings would not be authorized except at places where roads, sewers, lights were available, and water.

Mr. FULTON. In other words, you took the position that you shouldn't build buildings except where the facilities already existed?

General PARSONS. That went over for 8 years.

Mr. FULTON. Now as I understand it, you were the one who in 1940 took the position that you would exactly reverse that?

General PARSONS. No; I didn't.

Mr. FULTON. Didn't you conclude you would build the buildings where the sewers didn't exist?

General PARSONS. I did, because sewers don't exist all over Meade in every direction. If you will let me get this last plan at Meade. They revised those plans in about 1936.

Mr. FULTON. Now let's see what the plan of 1936 was.

General PARSONS. 1938; that was called the P. M. P.

Mr. FULTON. In other words, the 1928 plan——

General PARSONS (interposing). Had gone out and the 1932 plan had gone out.

Mr. FULTON. Now the 1938 plan contemplated, if you build any buildings at Meade, you would build them in the area of the old World War camp?

General PARSONS. And not only that, no division was ordered to Meade. The Twenty-eighth Division, which is now at Indiantown Gap, was to go to Texas; the Twenty-ninth Division was to go to Camp Eustis. I protested over both plans, but could get no changes. At that time only nondescript medical units were coming to Meade and at that time we had ample water, sewers, lights, roads, and everything to build them with.

The CHAIRMAN. Who was responsible for the change of plan that put the division at Meade?

General PARSONS. The War Department, on my recommendation.

The CHAIRMAN. Which I am informed never can be large enough for the actual training of a division.

General PARSONS. But you know Eustis wasn't large enough for a company, hardly.

The CHAIRMAN. I know that.

General PARSONS. So I went down to see the War Department about it and they said "No," it couldn't be changed. I might say at this time that in the 1928 plan, which I drew, the corps area commander is responsible for everything, but in the 1936 plan the corps area commander was wiped out of the picture, except to make a plan based on the War Department plan. Now I protested against that, but I did go down and look at all these camp sites, and then I said, "If we are going to have a mobilization, Eustis certainly can't be used, and why not bring them into Meade?" Now they agreed they wouldn't change, but they said, "We are going to organize the Eighth Division"

and in the changes of 1940 the Eighth Division was ordered in there, a triangular division, into Meade.

We had ample places for it here.

Mr. FULTON. First, General, let's follow through on 1932. You say that was a different plan?

General PARSONS. 1932 was practically an extension of the 1928 plan, very little change, because you know as conditions change and units change and different things change, why, of course, you have to change your plan.

Mr. FULTON. In other words, Meade was not expected to be used in 1932, except for minor enforcement?

General PARSONS. In 1938 it was only for medical units; then later they changed it in 1940 to Eighth Division.

Mr. FULTON. When was the permanent post enlarged there at Meade?

General PARSONS. The permanent post was authorized before I got out there and just partially built in 1929.

Mr. FULTON. 1929?

General PARSONS. Yes; and at that time it was located in the wrong place. Now you take at Benning, the camp is located on the edge of the reservation, when it should be in the center, because Benning has 100,000 acres, but Meade only had 7,000 acres, and they ruined it when they located the present post where it is. It should have been in the Franklin cantonment.

Mr. FULTON. Where the camp now is?

General PARSONS. Yes; and where this hospital is. A board and all of us—it had been done; I couldn't change it; work already started. There is where the post should have been because it is lovely rolling ground, and left the entire reservation open for training.

Mr. FULTON. It is lovely rolling ground, but isn't it true it is clay?

General PARSONS. True; and you know Meade is 95 percent sand. It happened to be clay.

Mr. FULTON. Just why should we select the 5 percent that is clay?

General PARSONS. Because it happened to be in the 5 percent. You have to consider the training or the troops and the location of the troops; you don't select Washington on clay or any other city or any other place; you have got clay all over the country, but at Meade—

Mr. FULTON (interposing). I understand that Meade is too small for regular training, according to the Army, anyhow, so why select an area disregarding military training and then regard military training at a later point in order to make the area more expensive?

General PARSONS. You know you train 95 percent or 90 percent of the time in the post. The Germans and French train in city streets, and that is the reason we drew the plan in 1928, to the effect that where roads, sewers, lights, were available and in other words in this city of Washington, at that time you could put an infantry division on vacant lots all over the town.

Mr. FULTON. And so Meade was selected with the idea in the earlier times for a post that it didn't matter where the post went, the permanent post; it could be anywhere on the reservation.

General PARSONS. The Seventy-ninth Division trained at Meade; a lot of officers got the idea you need a million acres to train on. You

need something for firing artillery on and you need something for maneuvers, but not for every-day training.

Mr. FULTON. So you don't think we do need 60,000 acres for a camp?

General PARSONS. Except to locate them at places if you are going to buy the land instead of moving them off into another area. Now I started a survey, and now you are buying the land down at Bowling Green, Va. It is the only place in the Third Corps Area, and I have been over every county in the Third Corps Area, that you could have artillery firing, long-range artillery. The only place we had that could be gotten was down there, and now troops have to be assembled, and I understand the plan is now—which I have nothing to do with, being retired—to bring down the Forty-fourth Division, Twenty-eighth Division, and the Twenty-ninth Division into this area and train them for 3 months. You do have to have that.

Mr. FULTON. Now, going into that phase, from 1932 on, Third Corps Area. I assume it was trying to find where the suitable places for camps, and in your opinion the only really suitable place is Bowling Green, Va.; is that right?

General PARSONS. No; I didn't say that. I said the only place for the big grand maneuvers. Now, in Europe you see they don't have such areas but they billet the troops in on the people after the crops are cut. We don't do that.

Mr. FULTON. But the only place for maneuvers would be Bowling Green, Va.?

General PARSONS. No; Manassas was a good place for maneuvers, but you can't fire artillery at Manassas, but for artillery training and others, Bowling Green, Va., gives the best. The only place in the whole corps area.

Mr. FULTON. Now, was that area selected by report prior to 1939?

General PARSONS. No; it was selected on a report made after I left, but which I tentatively selected when I went down there.

The CHAIRMAN. The Senate is in session today and it is necessary for the members of this committee to be on the floor once in a while, so we will recess now until 2:30. General, we will continue with you at 2:30.

(Whereupon, at 12:05 p. m., the committee recessed until 2:30 p. m. of the same day.)

AFTERNOON SESSION

The committee resumed at 2:30 p. m. upon expiration of the recess.

The CHAIRMAN. The committee will come to order.

General PARSONS. Senator, I would like to make a statement. As to the location of the camp at Meade, I am the only man in the United States Army or elsewhere responsible for it.

The CHAIRMAN. I am glad there is one general in the Army who is willing to assume responsibility without passing the buck up or down. Proceed, General.

General PARSONS. I probably would if I could have passed the buck, but there was too much evidence that I did the work, so I did the work and I don't think we have to look for any other culprit.

The CHAIRMAN. Well, proceed on that basis.

General PARSONS. The next thing is I had reasons why I established the post there, the base, and it goes back to my first command

there. As I stated this morning, the post was in the wrong place. While I didn't locate it; I felt very critical, and I came down and asked the reason why; it was done to save money, because they said the water, sewers, lights, and everything was there. As a matter of fact it was a lot of wood stuff and did have to be replaced.

Now at that time I had to make a mobilization plan for the post, though there was no division coming out there. We had all the old barracks standing; we had the wooden sewers there; so I was very much interested; we had even the railroad tracks through they were wearing out, the cross ties. As to all the utilities, the water system is there to this day, probably based on what we planned then.

Of course, the whole idea was, as I said this morning, that the German Army and French Army is in cities and drill a good deal of their time in parks and localities. When they put these troops in there I wanted to save every known space possible to train on because the country was growing up, as it is now; you can see this loblolly pine has all grown up, and was growing then. After you take out a target range and take out the present post, the storehouse facilities and parts of ground that were not available because of their area, you have very little base to train at Meade, and I was trying to save everything possible for that training.

Now, when I came back in command of the corps area the first thing I jumped into was a mobilization plan, because that had been more or less a fad of mine and I was considered sort of hipped on the subject of a mobilization camp there. We found two divisions; none coming there, and a lot of nondescript units, and the reasons given were that the training ground was not big enough and that they didn't have any place to fire the artillery, though in the old time they did fire artillery until somebody increased the range of the guns, and they fired a gun that went over into the next county, through some accident, and we were prohibited from firing any artillery; we couldn't train the tanks there, except subcaliber, because it always ran into somebody's territory, and I then in 1930 recommended the purchase of all that ground down below because we wanted an artillery range.

Well, now, when I went back in 1938 and found there was nothing going there but a lot of nondescript medical units, the matter was simple. There was no question of Meade; just a simple thing; but they kept talking they had no place to train troops for firing. I went out to Fort Hoyle and when the President declared a semi-emergency they gave me a lot of money with no strings to it and I built the finest target range, I think, in the United States, at Fort Hoyle. Then I came back and said, "Look what we have done at Hoyle; we have the finest artillery, tank and all ranges, connected up electrically; there is nothing like it." They said, "We will put the Eighth Division there." So the orders were issued from Washington that the Eighth Division was to come into Meade.

I located the triangular division; I had commanded a triangular division and I knew exactly what it took. Again they were put over in the Franklin cantonment because we had water, sewers, lights, and roads; the best road system we have out there. So that went along and one morning I picked up the paper and found the Eighth Division was ordered somewhere else, and they said—then they had taken Hoyle away from me and given that to the Chemical Warfare Service.

Now, along about June or July when I wasn't particularly worried over the European situation, but down in my heart I felt there was going to be a mobilization, I put in a letter, a very short one, that I wanted to mobilize the troops where I thought best in my corps area; that included them all. If this would not give me the authority, I wanted to mobilize the Twenty-eighth Division in Indiantown Gap and vicinity and the Twenty-ninth Division in the vicinity of Meade. We investigated everything around there. The fact is that Montgomery Ward Building, I felt in case we had to do it, could be taken over and 20,000 troops put in that one building.

The CHAIRMAN. That is in Baltimore?

General PARSONS. Yes. But the letter came back and said that the Twenty-eighth tentatively was assigned to Indiantown Gap and that the Twenty-ninth was tentatively assigned to Meade. Right then I called a board, which I hardly thought necessary, but I did, and I took the commanding general of the Twenty-ninth Division with me and we had a board survey, and put in additional water we needed.

We found we didn't need any with the exception of putting up an extra tank; we hadn't done it before because we didn't need the tank. We also found the laundry was to be overhauled and the storehouses overhauled, and the whole system repaired. We thought we were in fine shape.

Mr. FULTON. Now as to that board, how many engineers were on that board?

General PARSONS. None. You don't have to have an engineer on these boards to tell where the laundry needs fixing up, and the roof. I am a pretty good estimator myself on that; I can tell when a building is falling down. And the quartermaster was there. I can pretty near estimate what was needed to fix the building.

Mr. FULTON. Did you consult an engineer on the water-supply system?

General PARSONS. No; because we had the system. In addition to that I will say we did have an engineer along, the Twenty-ninth Division engineer; he couldn't make an estimate of a water system by just looking at it, but we had plenty of water, except we needed a new tank; we had all that installed, the pumps and everything.

The CHAIRMAN. But, General, wouldn't it be better in setting up these boards if some technical expert were on the board who knew from experience what is required in regard to water systems and light systems and things of that sort?

General PARSONS. It would be, Senator, if we were starting in a new area where there was nothing, but we had these things, like here in Washington if you want to put a building there you don't call an engineer to think about the water system because it is already there.

The CHAIRMAN. But I suppose you sometimes call an engineer to find out how to make a connection.

General PARSONS. True. Then you call the plumber; you have a water engineer; there are so many different kinds of engineers.

The CHAIRMAN. A qualified expert in the line you want to fulfill, though, and from the standpoint of public interest when you are doing a public job that is to be paid for with taxpayers' money I have always found it better to have qualified people on these boards who know from experience and from educational qualifications what is required, and then there is no chance for criticism.

General PARSONS. True.

Mr. FULTON. Did you call in a plumber?

General PARSONS. No; I knew the connections there because I laid them myself; I supervised them.

Mr. FULTON. General, I heard in the testimony this morning, of Mr. Roberts, to the effect there wasn't even a survey of the condition of the existing sewers.¹

General PARSONS. I think he evidently was in error. I will come into that. As I say, the Eighth Division was out before the Twenty-ninth was ordered and I was told to put in 1,500 men, what they call a recruit replacement camp. Since no one was coming to Meade I put them in the middle of the so-called Twenty-ninth Division area. I didn't know the Twenty-ninth was coming there. I had lived in the very spot they were putting them and I had put the water down there, a 6-inch line. So when the Twenty-ninth was coming, which had everything, and we didn't expect this, one day Colonel Allen called me up and said, "You know there are a lot of engineers from Washington out here surveying the post."

Now, we had no orders from Washington that the Twenty-ninth was coming, except tentatively assigned, and I said, "Where are they surveying?" He said, "Down on the target range." I said, "You tell them to get over in the Franklin cantonment, where I told you to put them."

Mr. FULTON. At that stage you didn't know the Twenty-ninth was coming there?

General PARSONS. That is the first time. It had been tentatively assigned and when tentatively assigned we started our own survey maps.

Mr. FULTON. Now, let me understand this, General. As I understood Mr. Roberts he testified that it was after their contract had been signed, sometime early in October, that they went to the area and started to make their surveys as to where they intended to put the camp, and do you mean that that was the first time you knew that the Twenty-ninth was coming down to Meade?

General PARSONS. No; I had an order in July, the 31st, that it was tentatively assigned; tentatively.

Mr. FULTON. Now, at that time, on July 31, had the site been selected?

General PARSONS. It had.

Mr. FULTON. And did you inform Washington that you had selected it?

General PARSONS. No; I hadn't even been told to mobilize. It was placed under me.

Mr. FULTON. When were you told the Twenty-ninth would come to Meade; on July 31?

General PARSONS. No; tentatively assigned; and then we went to work and made a map, blueprint, and where it was going, and we had a board consisting of the engineer officer of the Twenty-ninth Division on it.

Mr. FULTON. The Twenty-ninth was a National Guard division?

General PARSONS. That is right, going in there.

Mr. FULTON. You called a board of engineering officers?

General PARSONS. No, I didn't; he was one engineer on there but he was a man in civilian life and couldn't give much time to it and it wasn't really needed because we had the post maps there.

¹ Supra p. 458.

Mr. FULTON. Now the Government, as I understand it, has paid \$400,000 to the Greiner Co. to make a lay-out and do you say that one engineer wasn't even needed at that time?

General PARSONS. They may have paid \$400,000, true; but you must remember that we knew—the post knows where the 6-inch lines of pipe are.

Mr. FULTON. But now I am talking about July 31. You knew where the 6-inch line was but I am talking about whether any engineer was assigned full time, even so much as one.

General PARSONS. No.

Mr. FULTON. To work on the problems that would be inherent in this?

General PARSONS. No. The Corps area commander has no engineer of that kind.

Mr. FULTON. Now doesn't that seem strange that we couldn't at least avail ourselves of that month or two of time, in fact over 2 months' time, to get some of this tentative engineering work done, instead of waiting until the last minute?

General PARSONS. You know the Draft Act hadn't been passed, the National Guard Act hadn't been passed, and so far as I know there was nothing but tentative plans.

Mr. FULTON. The Corps area commander would not see fit to assign so much as one engineer to start work on that?

General PARSONS. There were no engineers in the Third Corps Area.

Mr. FULTON. You said you had one there.

General PARSONS. A National Guard one.

Mr. FULTON. Was he good?

General PARSONS. Graduated from an engineering school and commander of an engineering regiment, and he himself had no time to spend out there; all he could do was look at it, like most people do.

Mr. FULTON. Didn't you think some engineer ought to get there and work on it?

General PARSONS. No.

Mr. FULTON. You didn't?

General PARSONS. No. I have laid out too many camps. I would when we got up to the upper part employ a company to do it.

Mr. FULTON. In other words you would wait 2 or 3 months?

General PARSONS. No; I wouldn't wait. You commit embezzlement when you charge money up to something and hire people without authority.

Mr. FULTON. It was your view, then, you should wait until the law was passed?

General PARSONS. No. Here is the map. When they assigned the Twenty-ninth Division—made in the month before they ever came out there.

(The map referred to was marked "Exhibit No. 45" and is on file with the Committee.)

Mr. FULTON. What I want to know, General, is what engineers and architects worked on that map.

General PARSONS. Why, when I knew where the roads were, I don't have to have—if I build a house even—but when I know they are going down the line and the barracks—we had standard barracks over here and we knew where the barracks would go. Let me go on with

the story. Then you can come back on this thing, if you don't mind. So when the time came we made this part—and I have heard that the engineers were out there and told them to go in through this area, the Franklin area.

Mr. FULTON. This is in October?

General PARSONS. This is in October; no, the latter part of September; just about the 1st—the 28th of September they were out there. I told them what I wanted then I went away for 4 days and I gave my chief of staff orders to approve it, because the corps area commander was supposed to approve the location of the camp. I said, "You know what I want and you approve it." I came back at the end of 4 days and he said, "I didn't approve it because it wasn't what you wanted."

Mr. FULTON. Where did you go during those 4 days?

General PARSONS. Columbus, Ohio, on leave.

Mr. FULTON. And what was more important than the building of the camp? What was more important?

General PARSONS. I don't—I had just gotten out there; they had to lay it out. If you hire a \$400,000 company you don't have me sitting on top of them and tell them to do it myself.

Mr. FULTON. I thought that is precisely what you did do; told them where to put the camp.

General PARSONS. I did later; when they came in that looked very pretty. Then I discovered they had put in an antitank battalion and a tank battalion, heavy tank battalion which I had never heard of, and 1,000-bed hospital.

Mr. FULTON. You mean Washington had put in the antitank and that—

General PARSONS (interposing). They got that information from them that this was the lay-out.

Mr. FULTON. They hadn't even consulted the corps area commander

General PARSONS. No; they hadn't, about that at least. I don't recall it. So a hospital was located north of the parade ground. Well, as I said, we were trying to save every inch of ground, open space for training, and in addition to that the War Department had sent a telegram they were going to give \$200,000 to increase the airfield there and the hospital was going on part of the airfield, and I didn't think a hospital and airfield mixed in well together.

Mr. FULTON. Now the airfield had been laid out by engineers of the Air Corps?

General PARSONS. It has been there 20 years.

Mr. FULTON. And had that been surveyed by the Air Corps with the understanding it was to be enlarged at this time, 1940?

General PARSONS. I don't know, except it came from Washington and they said that would be done.

Mr. FULTON. Do you know of any survey made and in existence at the beginning of September 1940 with respect to this airfield?

General PARSONS. No; because I wanted to change the airfield and they said they would. I went down to General Arnold, an old friend of mine. He said, "I will send an air engineer out." I never saw him. I had my own engineer who went over it and he said where the airfield was was the best place for an airfield; it had been there 20 years.

Mr. FULTON. And you say the Air Corps decided to put it in at a different place?

General PARSONS. No, I didn't; I said the Air Corps said they were going to expand it and an expansion of about, I think, 1,800 feet, I reckon, 1,000 yards, would run into the hospital.

Mr. FULTON. Now had that airfield been determined upon as to its permanent final location where it is today?

General PARSONS. Yes.

Mr. FULTON. By the authorities of all the departments that would have anything to do with it?

General PARSONS. I don't go down and ask everybody in Washington; I get a telegram that you will take the airfield, and it is going to be expanded—not by me, by somebody else, and I assume the Air Corps knows what they wanted.

Mr. FULTON. But did you know where the Air Corps wanted it?

General PARSONS. Arnold said they wanted it there.

Mr. FULTON. You assumed?

General PARSONS. I don't go down to everybody in the War Department and say, "Did you check this and that?" I get the Secretary of War's office's telegram that he is going to put an airfield in the place; I assume that his advisers have advised him properly.

Mr. FULTON. Now did you know where it was to go, from the standpoint of the Air Corps? Had they told you where they wanted it?

General PARSONS. Yes; they said in the present location, where it was.

Mr. FULTON. Had that been stated in any report of an Air Corps official who had made an examination?

General PARSONS. No; but I took my Air Corps man out there and he said that was the best place. The War Department had located it there and Arnold said he would send a man out; I left this corps area on the 21st of October and on the 18th I talked to Arnold about it.

Mr. FULTON. So as far as the definite location of that airfield, it hadn't been allocated in the beginning of September?

General PARSONS. It has been for 20 years and has been there, and it is the same airfield right now.

Mr. FULTON. And what I was asking was, was there a plan which was given to the architect engineer in September indicating that the Air Corps had decided to put a field in a specific place?

General PARSONS. He was talking about the Twenty-ninth Division.

Mr. FULTON. Of course, he couldn't lay out a camp without knowing what they were going to put there and where they were going to put it?

General PARSONS. That may be so, but he had to talk to the people at the post.

Mr. FULTON. And as far as the post was concerned, you had had general conversations that you have referred to but there had been no report of an engineer from the Air Corps who had made a personal inspection and determined to put it there?

General PARSONS. I presume that when the Secretary of War sent the telegram, that is the War Department, that somebody must have selected that air field.

Mr. FULTON. But aside from the presumption, you don't know?

General PARSONS. I didn't like it myself.

Mr. FULTON. You wanted an engineer?

General PARSONS. I wanted it out of there because I wanted a training ground.

Mr. FULTON. And as corps area commander you would not have approved the air field being put where it is?

General PARSONS. I would not, but you see I wanted to move it down in on the western end of the reservation, and they went down and measured it and said I was short 200 yards for a big ship to come in. Now coming back to the hospital, I was surprised when we had the hospital. That hospital had always planned to use the permanent barracks for a hospital. I had told the commanding officer that we would—you know I have built a lot of barracks and lots of lay-outs—right behind we would put the permanent hospital personnel, move the troops out over into the R. O. T. C. area; we would put them in tent camps over there because we have the tent floors and a great many walled up tent sides.

Mr. FULTON. They are there still?

General PARSONS. They are still there and we would put them over there. Therefore the hospital could have the permanent barracks. So then one day—this is in September; I can't remember the dates—my surgeon came to me and said, "You know they are not going to give any hospital attendants; they are going to have civilians." I said, "We can't use civilians out at Meade because they live too far from home, so you get busy and go around Baltimore and see if we can't get an area in Baltimore and put our hospital there." Then 2 days later he said, "The War Department decided to put us soldiers in the hospital, like they have always done." Then I said, "All right, I have got the place located, right behind the barracks." To use the kitchens; we didn't need all the kitchens for the hospital and we were all set.

So the first time I heard the hospital was going to be a wooden outfit, covering 7 acres and 80 buildings, was when that was located just north of the parade ground. Then I asked my surgeon—

Mr. FULTON (interposing). How about the point of time?

General PARSONS. About October 4, 5, or 6.

Mr. FULTON. In other words, several weeks after the negotiations for the contract?

General PARSONS. No; September 28 was when he came out. I don't know when they negotiated. So when that was decided my surgeon was the man I dealt with. I said, "Why would they change it?" He said, "Well, they have estimated the cost is more to take a permanent barracks and turn it into a hospital, and they prefer a hospital to make their own, because in barracks, they said, you have upstairs and they would have to put in elevators." I raised the question then that all of them are not going to have their legs cut off and some of them could walk upstairs, but they seemed to think that none could walk upstairs, and had to have elevators, so I was very critical of that decision.

Then when the hospital was put there, as I told you, I was shocked. I then gave instructions that I wanted the antitank and the tank outfit placed down back of the target range, back of the firing point, and I wanted the hospital and the artillery, or the engineers, placed up there on the road to Baltimore, which is an area we had never used for training. When you buy a farm the farmer wants to sell it all, and we have never been able to use all that land. I said to put them

in there and that would give us more ground for training and we would have a meeting 3 or 4 days later.

We had this meeting. I have attended all the meetings. We had the meeting and the engineer said, "You can't put those tank and antitanks back of the firing point because your sewers would have to run above the ground across the target range." Well, that went right out the window at that moment, because naturally the first shot would ruin the sewer line. He said, "You can't put the engineers and artillery up where you wanted to because the drainage is in toward Baltimore." That is that area.¹

So I said, "All right; but I have been all over that country and we will put the smaller units up there; pull the artillery out of there." Next morning I—I stayed out at Meade that night where I kept a horse—got on a horse and at 6 o'clock in the morning I rode that country and I was surer than ever there was a place to put the hospital where I had always wanted to put the post, and put the two antitank and the other regiments, because I felt that the way the ground looked—I got off the horse and went around—the contours and streamlets showed they came in, and there is a road, and also the Jessup road which had just been rebuilt by the county, and the road to Baltimore passed right by it, and——

Mr. FULTON (interposing). And that was the inspection you made to determine the location?

General PARSONS. I came back and then I said, "Survey that." So next day, or a week later, we had another conference and they said, "It is feasible." But first they said they couldn't put it over there because we had to pump the sewage. We ruled that out but that is the highest ground in the reservation and with the highest ground in the reservation draining in toward the sewers, where the sewers were to be, where the camp was, I figured that they certainly could come into that sewer. They said they had to build another water tank. I said, "You can put that up there." They said, "Yes; that is high ground."

Then the only change they suggested was that they put the headquarters where it is now. I had them located somewhere else.

Mr. FULTON. You mean after you made the decision it was to go there, the only change they made was the one you have just now mentioned?

General PARSONS. They made everything in the orders; they agreed to everything; wherever they said it wasn't feasible, I said, "We will not put it"; where they said it was feasible, we put it.

Mr. FULTON. By feasible you mean possible?

General PARSONS. Possible. Now you know I assumed that the Twenty-ninth Infantry Division was sent out there to train and not to save money, because if they had they wouldn't have sent them there at all.

Mr. FULTON. Now, on that point. I think you said this morning that except for maneuvers they didn't need these huge areas, and they could even train as the Germans do, in the city streets?

General PARSONS. Yes; but there are no city streets there; you have to have open spaces to a certain extent and the most of that was so crowded then with woods and trees that I asked to have a company

¹ Indicating on Exhibit No. 45.

of C. C. C.'s sent out there to cut down these trees, because I thought the Twenty-ninth should be training instead of cutting trees, and I bought machinery to do it, too.

Mr. FULTON. Now, General, there were 3,000 troops in the permanent post and there had been for some little time, hadn't there?

General PARSONS. Yes.

Mr. FULTON. Were they engaged in clearing off these trees to the extent of being able to do maneuvering?

General PARSONS. I brought the troops from Myer and had troops from Hoyle, but at this time the Thirty-fourth Infantry, which had been stationed at Meade, was broken up entirely, and they took one battalion and made it into an antitank and another battalion into aircraft, and we were away on maneuvers during the month of August.

Mr. FULTON. But I am talking about the 5 years or more before 1940. If they didn't have any ground to maneuver on there, why didn't they engage in clearing off some of that undergrowth?

General PARSONS. We did. You see piles of stuff now inhabited by rabbits all over that reservation.

Mr. FULTON. If it was cleared off didn't you have maneuver ground?

General PARSONS. We do have maneuver ground, but if I put the troops where it has been cleaned off and fixed up we wouldn't have any at all, and you can't have maneuvers at a place 2 or 3 miles away, not maneuvers, drill; there is a difference between maneuvers and drill.

The CHAIRMAN. General, let me ask you a question. In studying this map here, as I look at it this permanent post is on the east side of the railroad track in the center of the reservation?¹

General PARSONS. Yes, sir. No; the railroad track—north of the railroad track; it comes in there. East and west of the Pennsylvania.

The CHAIRMAN. The main line runs across the reservation to the south of the main post, but there is a branch runs up toward the north, a switch track, I imagine, for the use of the camp?

General PARSONS. There is a branch that runs from Odenton, comes in there to the warehouse area, and turns up to Baltimore & Ohio, and goes up to Annapolis Junction.

The CHAIRMAN. Now, why wouldn't it have been feasible to place this cantonment to the left of that railroad track and leave all this land here for training?

General PARSONS. You mean from Franklin Station?

The CHAIRMAN. Toward the west.

General PARSONS. My map shows marshes, and there never were any sewers or lights down there.

The CHAIRMAN. The ones up here were not very much available because they spent over \$1,000,000 putting them back, as I understand it?

General PARSONS. Putting what back?

The CHAIRMAN. The sewers and things for this camp.

General PARSONS. May I show you this map?

The CHAIRMAN. Surely; come around and let me look at it.

General PARSONS. I want to show you the map I worked on. This, by the way, was made by the engineers.

The CHAIRMAN. Is this map oriented?

¹ Indicating on Exhibit No. 45.

General PARSONS. This is north; it is oriented. Now, here is Odenton and here is the main line of the Pennsylvania; this red outlines the reservation as it existed when I was in command of the corps area. Now, it comes down here. We had recommended the purchase of all this because we used to shoot from this area into here into Napoleon Hill, but then these guns went over to here, so these people complained so bitterly we had to stop all artillery shooting.

Mr. FULTON. That was the main line of the Pennsylvania?

General PARSONS. Yes—well, the main line never got that far, the main line wasn't there, but they increased the range of the guns. Now they are going to purchase 6,000 acres. The reason they didn't purchase any more, the Agriculture Department got in there and purchased all that land we wanted.

The CHAIRMAN. Is there any reason why the Agriculture Department couldn't turn that over for training purposes?

General PARSONS. Well, last year at Manassas down there they would never let us camp on the Interior Department stuff and we had to get off every night.

The CHAIRMAN. I think that is a thing we had better look into, because if we are going to train troops for this emergency I don't see that it makes any difference what branch of the Government may own it, it ought to be available for that purpose.

General PARSONS. They have purchased this 6,000. Now that takes in this [indicating on map].¹ Farmers when they sell out don't like to sell just part of the land, they tell me. It runs in here; now below that is the Agriculture Department.

The CHAIRMAN. Now, what I was getting at was this, General. Here is the permanent post right here; here is the new camp.

General PARSONS. Franklin cantonment.

The CHAIRMAN. That is right, on the northern boundary?

General PARSONS. Eastern boundary.

The CHAIRMAN. Of the present reservation. What I was getting at was why this could not have been extended down here because you have got that situation in there and then save all this for training purposes?

General PARSONS. Yes, but you start out—I saw General Reckord and he says this new training combat team of the artillery is just enough to make a combat team, starting here across. Now if you started here you would have all the bearings and stuff. Then you would have to stop and come over here again. Now here is the airfield which was established 20 years ago. Here is where they wanted to put the hospital. Now if the hospital had to be extended, they have already built the road there and this is the old road. I was going to cut this road out. Therefore this is before any mobilization. Some of us were thinking about these things before Congress passed any acts.

I extended with my money assigned me this road out here so I could cut the road out of the airfield, and not bother it, and use the road so I could cut these two roads out.

The CHAIRMAN. General, it has been said and mentioned over at the meeting when we were over at Fort Meade that the principal reason they didn't want to put the hospital down in here was because it would upset the golf course on which the officers over at Fort Meade play.

¹ Exhibit No. 45.

General PARSONS. I built the golf course and I am very proud of it.

The CHAIRMAN. Was there any intention on the part of the commanding general at Fort Meade to save the golf course?

General PARSONS. It might have been my child, but you know I was leaving and I never played there but three times in my life on that golf course. I did tell Reccord one day that if he ruined those greens I would haunt him the rest of my life. The greens have nothing to do with it; we trained over it when I had the Regular troops; we went over the golf course.

The CHAIRMAN. But the hospital would have injured it?

General PARSONS. Oh, no. I beg your pardon. They wanted to put the golf course out. That is over here and would not have extended over into the golf course.

The CHAIRMAN. We drove around it the other day.

General PARSONS. Here is that stream on the edge of the golf course and the golf course beyond the stream; there is only one hole up at the end here.

The CHAIRMAN. We were informed, as I remember it, by the contractor when we were over there the other day that this situation for the hospital over here cost the Government \$1,000,000 more than this would have down here. Was that taken into consideration when the hospital was placed up there?

General PARSONS. The only reason I took into consideration was not to bring the troops out there without every opportunity to train.

The CHAIRMAN. Of course that is what we are getting them together for, is to train.

General PARSONS. Now, starting here, that would have been a fine place for the Eighth Division because of water, roads; these are two concrete roads.

The CHAIRMAN. I know, we went over them the other day.

General PARSONS. Water, sewer, lights, and roads are there, and some of the crossroads are graveled. In the World War they had only gravel but there were two concrete roads across. That was ample. Now when they got through—when you put in chapels, when you put in theaters, all this stuff which I knew nothing about, I was dealing with troops and when they decided firebreaks had to be in there they extended this thing up here and even then the water and sewers were up here because the old cantonment was there.

Now, there is the road to Baltimore here; here is the main highway. Here is the main line to Baltimore; here is the road to Jessup; here is a road again; all these roads were in here. Now if you had put it over here it would only have had one road to get in and out, so we put it here.

The CHAIRMAN. You could have built a lot of roads for \$1,000,000.

General PARSONS. Do you know how many miles they built in the last war? I made quite a study of that.

Mr. FULTON. At Fort Meade?

General PARSONS. Twenty-five miles average; took it from Mr. Baker's report.

The CHAIRMAN. The finest concrete road at that time could have been built for about \$30,000 a mile.

General PARSONS. Here is a concrete road that runs out here and runs up to the old hospital area. Now the old hospital area—

The CHAIRMAN (interposing). Why didn't they use the old hospital area?

General PARSONS. Talk about rolling, that is terrible; that is worse than any place; and they had up there big water tanks made out of wood.

The CHAIRMAN. I saw those water tanks.

General PARSONS. Years ago, but I tore them down 10 years ago.

The CHAIRMAN. I saw those.

General PARSONS. Now, here is an area in here; that is no value to anybody because it is heavily wooded. Now, I wanted to put—in the first place I wanted to put the antitanks right here and the tanks right behind the target range, but after what the engineers told me it was thrown out. Here is the septic tanks, here. They said the line would run across there and it couldn't be used.

The CHAIRMAN. Because it would be exposed?

General PARSONS. Yes. Now, that threw that out, so I took the advice of the engineer there. Then I said at that time I wanted the artillery in here and I said, "Just put them up here," and they said, "You have to pump the sewage," because you see the line goes this direction, so I said, "Block that out." I know this because I rode up there and saw it; we could put them in here.

The CHAIRMAN. So they put them up here?

General PARSONS. They said this is the most beautiful spot on the post, but there is mud there.

The CHAIRMAN. Lots of it.

General PARSONS. They also told me—someone the other day—that up there they found a swamp. There was no swamp there on October 1, and not only that, I have been all over that place; I have hunted over it and walked over it, and there is none there, but I presume from what they said this morning that that mud below it holds the soil and does make a swamp, but at that time I was not a water engineer and when you look at a piece of ground, beautifully drained, and no mud and only dust, you naturally assume that there is not going to be any lake up there.

Mr. FULTON. General, with respect to the Twenty-ninth Division, had there been a plan laid out on the first part of September as to when the troops were to arrive and what specific parts of the troops were due first?

General PARSONS. He came into my office very much excited, and he said the troops were to come in a week before Christmas, that is, about the 15th of December, there hadn't been a thing in the world done, and he was complaining that if the troops came in at that time, they wouldn't be set, for most of the men wanted to go home for Christmas and New Year, and he suggested to the War Department to delay it to the 15th of January. When I left in October, that was the plan. When they came in, I don't know.

Mr. FULTON. Actually they came in February.

General PARSONS. I don't know. I wasn't there.

Mr. FULTON. In any event, was the architect engineer furnished with a list of what troops were to come in first and the area?

General PARSONS. No; not by me.

Mr. FULTON. Wouldn't it be important for them, in order to organize their work economically, and even from the standpoint of speed, to know as far in advance as possible, exactly what troops were to arrive and where they were to be put?

General PARSONS. I would say so, but it seemed they ordered the whole Twenty-ninth Division at once on 1 day. You see, in the Twenty-ninth they only require a year in the service. If you order the Artillery or Infantry brigade in February 1, and the Artillery brigade in March 1, and another brigade in on April 1, instead of having one Twenty-ninth Division trained and operating as a team, you have got them in sections. One will be mustered out a month ahead and another will be mustered out in about another month, and so on.

Mr. FULTON. As a matter of fact, they came in in part, didn't they?

General PARSONS. No, they were already in their armories, all together, came in the same day, as I recall it, at least it was so near—about the same week. I wasn't there, you must remember. I left there in October—made the decision and left the others to do it.

The CHAIRMAN. That is all, General. Thank you very much. Let this statement of General Parsons be entered in the record.

(The statement referred to was marked "Exhibit No. 46" and is included in the appendix on p. 690.)

The CHAIRMAN. Mr. Stalfort, the contractor.

TESTIMONY OF JOHN A. STALFORTH, PRESIDENT; T. N. COX, VICE PRESIDENT; C. E. ELDERKIN, EXECUTIVE VICE PRESIDENT; AND H. W. BERGER, CONSOLIDATED ENGINEERING CO., BALTIMORE, MD.

The CHAIRMAN. Will you state your name and connections for the record?

Mr. STALFORTH. My name is John A. Stalfort. I am president of the Consolidated Engineering Co., of Baltimore, Md.

The CHAIRMAN. And you are the contractor who actually constructed Camp Meade?

Mr. STALFORTH. That is correct, sir.

Mr. FULTON. Mr. Stalfort, your firm happens to be the first one to be asked questions publicly. It may be a little unfair being first. I just wanted to say that in calling on you, the committee didn't in any way want to infer that there had been an improper selection of contractors. On the contrary, you have had a long and extremely fine record as a contracting firm, and I thought you might tell us something of the work that your firm has done on other projects, including particularly matters that might give you valuable experience for camp construction jobs.

Mr. STALFORTH. I am very grateful, Mr. Fulton, for your clarifying that, because we were somewhat conscious that we were the first ones called, and there might be some reflection.

The CHAIRMAN. You won't, by any means, be the last, so just proceed on that.

Mr. STALFORTH. Regarding the history of our company, I would like to state that we were organized in 1911. We have been in successful operation continuously since that time. We have had contracts in most of the States east of the Mississippi River. Our total volume of business during that period has been somewhere between two hundred and fifty and three hundred million dollars. Of that amount, something over \$75,000,000 or more has been completed for the various departments of the Government. About 30 percent of the total

volume has been done on a cost-plus-fee or cost-plus-percentage basis. We have built every type and character of buildings possible, and also pretty nearly every type and character of heavy construction, with the exception of work requiring marine equipment. We have built such buildings here in Washington as the Department of Commerce Building, the New House Office Building, the Annex to the Library of Congress, and many others throughout the city, both private and Government.

Mr. FULTON. I understand you built Camp Green during the World War.

Mr. STALFORTH. During the World War, we built Camp Green at Charlotte, N. C. I happened to be the general superintendent on the work and was in responsible charge of all construction work.

We built Fort Story at Cape Henry, Va., and we built the post office and mail-handling building at Cincinnati, Ohio, and the Federal Building and courthouse and post office at Norfolk, Va.

Mr. FULTON. I understand you have had some experience in housing.

Mr. STALFORTH. Well, we have built for the Shipping Board during the last war, complete towns of Dundalk and St. Helena adjacent to Sparrows Point, Md. That included all buildings and utilities of every character and type.

Mr. FULTON. Have you had any recent housing construction?

Mr. STALFORTH. We have had a tremendous amount of recent housing work, particularly for the United States Housing Authority. We recently completed all three of the housing developments at Huntington, W. Va., and we have completed the one large housing job in Baltimore, and now have two large housing jobs under construction there at the present time.

Mr. FULTON. And it was with that experience that you sought a contract for governmental work in 1940?

Mr. STALFORTH. Naturally.

Mr. FULTON. Would you tell us the summary of how you proceeded to make yourselves available for a contract, the persons you saw, and the individuals, if any, that you hired, and the negotiations, if any, that you incurred before you were called down and told that you were being considered for the Fort Meade job?

Mr. STALFORTH. We started back early in 1940 and submitted a brochure of our complete qualifications and experience.

Mr. FULTON. Now, first, by early what do you mean? What month?

Mr. STALFORTH. Well, possibly January, I suppose. It dated far back when they were first considering the work on the Panama Canal.

Mr. FULTON. So that you were in the field as early as that, asking for consideration. You prepared a special pamphlet of information with respect to your firm and the work that it had done?

Mr. STALFORTH. Yes, sir.

Mr. FULTON. And then what happened next?

Mr. STALFORTH. Well, we made numerous visits to the War Department, discussed our qualification and merit, our past and present performance with various heads of the departments, including Colonel Pitz, Major Thomas, and Major Birdseye, and visited General Hartman several times.

The CHAIRMAN. General Hartman was then the assistant to the Quartermaster General, wasn't he?

Mr. STALFORT. Yes.

Mr. FULTON. And construction chief, as I understand it.

Mr. STALFORT. Yes, sir.

Mr. FULTON. Did you hire anyone to represent your firm as your Washington representative?

Mr. STALFORT. We had made so many visits over here and we had always been treated courteously and kindly, and had lost so much of our time and effort coming back and forth, that we finally decided that we should have a Washington representative.

Mr. FULTON. And when did you decide that?

Mr. STALFORT. That was the—in July some time, I think, sir; the latter part of July, I think, sir.

Mr. FULTON. That was about the time that the selective service law was under consideration by the Congress?

Mr. STALFORT. I couldn't answer that, sir. I don't know what time that law went into effect.

Mr. FULTON. And what arrangements did you make with your representative?

Mr. STALFORT. We made an arrangement whereby we would pay him a salary, a monthly salary, and a bonus for any work that we might secure.

The CHAIRMAN. Is that a Washington lawyer?

Mr. STALFORT. No, sir; he is a construction man.

The CHAIRMAN. A construction man. Is his residence here in Washington?

Mr. STALFORT. Yes, sir.

Mr. FULTON. And had he ever been employed by you before?

Mr. STALFORT. No; we knew of him very well.

The CHAIRMAN. Was he recommended to you by the War Department?

Mr. STALFORT. No, sir.

Mr. FULTON. And how was this bonus to be determined?

Mr. STALFORT. Why, he was to share in what profits we would make.

Mr. FULTON. From any contract that you made with the Government?

Mr. STALFORT. Either private work or Government work.

Mr. FULTON. And in the nature of private work, you mean any private work that he brought a contract?

Mr. STALFORT. No; any one that he might give us leads on.

Mr. FULTON. And, of course, in the case of the Government it would be any contract you got with the Government, would it not?

Mr. STALFORT. How is that, sir?

Mr. FULTON. In the case of the Government, it would be any contract you got with the Government?

Mr. STALFORT. Naturally; yes, sir.

Mr. FULTON. And how much of a bonus or share in the profits was it to be percentage wise, or any other way you figure it?

Mr. STALFORT. A percentage of the net profit that we would make, the net fee that we would make on the job.

Mr. FULTON. And did he accompany you at any time that you went to the Quartermaster General's office?

Mr. STALFORD. No, sir. We had a very distinct understanding with him that he was not in any way to attempt to solicit or secure any business for us.

Mr. FULTON. Just how was he to be useful for you in connection with Government contracts if he was not to go along?

Mr. STALFORD. Well, he was to advise us in case he heard of any work that was up at the moment that we might be interested in, that we might come over and solicit the work on our own behalf. But his main functions would be after we secured a job. He was a practical construction man in the building industry, and a man of considerable reputation in that particular line of business, and he was to assist and help us afterward in technical matters, in the matter of organization, and in the planning of the work, and to give us his advice.

Mr. FULTON. And what was his name and business address?

Mr. STALFORD. His name is R. C. Marshall, Jr.¹

Mr. FULTON. Did he maintain an office for contracting work in Washington?

Mr. STALFORD. He has an office in Washington in the Shoreham Building; yes, sir.

Mr. FULTON. Did he have a contracting staff there, or an architect?

Mr. STALFORD. No, sir. He is a consultant.

Mr. FULTON. How big a staff would he have, as far as you know?

Mr. STALFORD. Perhaps two or three.

Mr. FULTON. And had you hired him or a similar man for the Department of Commerce Building or the new House Office Building?

Mr. STALFORD. No, sir. We had representatives here in Washington to act for us as expeditors and for the transmittal of drawings, and so forth.

Mr. FULTON. But no one whom you agreed to pay a percentage of the net profits for the job?

Mr. STALFORD. No, sir.

Mr. FULTON. Did you, in addition to obtaining the contract for Fort Meade, have a contract for any other work or a participation in any other contract for Government work?

Mr. STALFORD. Yes; during 1939 we were named as the contractors, with another firm as coventurer, for the naval air base at San Juan, P. R.

Mr. FULTON. And how much is it estimated now that that base will cost ultimately?

Mr. STALFORD. I judge it would cost—you mean the original cost-plus supplements?

Mr. FULTON. Yes.

Mr. STALFORD. I judge in the neighborhood of \$20,000,000.

Mr. FULTON. And did you have a 50-percent participation in that?

Mr. STALFORD. Yes, sir.

Mr. FULTON. Did Mr. Marshall have anything to do with that?

Mr. STALFORD. Absolutely nothing, sir; no. That was before we engaged him to be our representative.

Mr. FULTON. Did anyone at all ever recommend to you that you should hire Mr. Marshall?

Mr. STALFORD. No, sir.

Mr. FULTON. Did he come to you, or did you go to him?

Mr. STALFORD. We went to him, sir.

¹ Mr. Marshall's testimony appears on p. 581 et seq., infra.

Mr. FULTON. And could you tell us why you went to him as distinguished from going to someone with whom you had prior connections or associations?

Mr. STALFORD. Well, we went to him on account of the fact that we wanted an outstanding man to represent us here, sir, someone who was well known in the industry.

Mr. FULTON. And was he known to you by reason of the projects that he had previously engaged himself on?

Mr. STALFORD. Oh, yes.

Mr. FULTON. Such as what?

Mr. STALFORD. Well, he was at one time the managing director of the Associated General Contractors here for a long period of years, and also he was the vice president of a large construction company here.

Mr. FULTON. Then he had been an officer of the trade association of General Contractors. Is that right?

Mr. STALFORD. I think he had, sir; yes, sir.

Mr. FULTON. And was that his principal recommendation to you?

Mr. STALFORD. No; I knew that he was an outstanding man in the industry, sir.

Mr. FULTON. Now, do you know of any particular construction projects of any great magnitude that he had personally worked on, as distinguished from his work as a representative of the contractors' trade association?

Mr. STALFORD. Yes. He was in charge of numerous buildings here in Washington for the contracting firm that he was vice president of.

Mr. FULTON. Any that would compare in magnitude with the work that your own firm had had?

Mr. STALFORD. Yes; I think so. The Government warehouse, for instance, and the Post Office Building over here.

Mr. FULTON. And did you feel that he was better qualified than your own staff to determine the construction problems of that kind?

Mr. STALFORD. Well, he was qualified to be helpful to us and advise us technically, to help us to—

Mr. FULTON (interposing). Were you familiar with the fact that a number of the representatives or persons who had previously been connected with the Associated General Contractors were being retained in various capacities by both the Army and the Navy?

Mr. STALFORD. No, sir.

Mr. FULTON. You heard Mr. Roberts testify this morning, I believe, Mr. Stalford?

Mr. STALFORD. Yes, sir.

Mr. FULTON. Would you tell us something of your own views with respect to the question as to whether expense was increased by reason of locating the hospital and camp in the area above the training area instead of locating it over where the World War camp had been?

WORK OF CONSOLIDATED ENGINEERING CO. IN CONSTRUCTION AT
FORT MEADE

Mr. STALFORD. Well, all I can say in that respect is that the location selected was terrifically expensive to construct on.

Mr. FULTON. Would you tell us some of the reasons that you found it very expensive?

Mr. STALFORD. The terrain was very hilly and uneven, and the soil conditions were such as to hold the water, with a strata of clay under the surface that pocketed all the water. When we started to construct our camp in that location, we went into a terrific quagmire.

The CHAIRMAN. I wonder if you would speak a little louder. The boys at the end of the table can't hear you.

Mr. STALFORD. There is no natural drainage in the area at all, and the water was just pocketed.

Mr. FULTON. And were there existing roads in the area that were concrete roads suitable for heavy traffic?

Mr. STALFORD. In the area that we built in?

Mr. FULTON. That you built in, yes, sir.

Mr. STALFORD. No, sir.

Mr. FULTON. Roads of comparable character to those that were over on the old camp ground?

Mr. STALFORD. No, sir; there were no roads in the upper half of the camp. In the lower half of the camp were roads that were suitable to use.

Mr. FULTON. In that part of the camp you were really building on ground that had been used in the World War, in part at least?

Mr. STALFORD. In the very lower portion of it.

Mr. FULTON. Now, as to that part, did you find that you were able to use portions of the old sewer system?

Mr. STALFORD. In the lower portion of the camp we were able to use a portion of the old sewer system; yes, sir.

Mr. FULTON. Of course that was part of the place where the old sewer system had been?

Mr. STALFORD. That is right.

Mr. FULTON. But in the upper part you couldn't use it because there hadn't been any sewer system there.

Mr. STALFORD. Yes, sir.

Mr. FULTON. You had to construct entirely new.

Mr. STALFORD. That is right, sir.

Mr. FULTON. Did you meet with any unusual difficulties in that connection which increased the expense of the camp?

Mr. STALFORD. In the upper or lower half of the camp?

Mr. FULTON. I am talking about this part of the camp where there were no sewers. In addition to the fact that there was nothing there, did you meet with any unusual construction difficulties?

Mr. STALFORD. The unusual construction difficulties were mainly encountered not only due to the fact that there was no natural drainage in the area and we ran into this quagmire, but also due to the fact that we built in the worst 3 or 4 months of the year; in a period of the year when all construction work of that type is always stopped.

Mr. FULTON. Would it have been of great importance to you from an economy standpoint, if you could have started a month earlier?

Mr. STALFORD. If we could have started a month earlier, it would have been a great deal of advantage to us; yes, sir. I would like to say this: From the 9th of October until the 1st of February we had 116 calendar days, and of those 116 calendar days, we worked 86, or only 74 percent of the time.

Mr. FULTON. And generally for construction of this kind, it would have been much cheaper if you could have started a few weeks earlier

and could have used the season before the rains in the late summer and early fall?

Mr. STALFORD. Well, naturally that would have followed. As a matter of fact, Mr. Fulton, the road work and sewer work and other utilities, and even building construction of that type, would be discontinued for the months of November, December, January, and February. I mean that would be normal procedure. The only justification for proceeding to do this work during those 4 months would be an emergency or war. Otherwise, normally, that kind work would be shut down.

Mr. FULTON. Were you given sufficient information as to exactly what areas should be built first, so that you were able to plan your work in advance and take full advantage of the economy of planning?

Mr. STALFORD. Well, when we started work on the 9th of October, on permanent construction—we actually started on temporary construction on the 30th of September—it was the 9th of October before we received any completed plans and also instructions that we could start permanent work. We had divided the camp into seven sections so as to more evenly divide the supervision and make it easier and more economic to handle, more efficient to handle. Each one of the seven sections was divided into units. Each section was controlled by a superintendent, and each unit was controlled by an assistant superintendent. Under the assistant superintendents were the various trade foremen, with the pushers. The work was thoroughly organized and planned so that it would operate in proper sequence and in proper rotation. The crews were developed so that one crew would proceed with the excavation, another crew would follow through with concrete foundation, and other crews would follow through with putting on sills and termite shields, and so forth. It was planned that each crew would become more efficient as they went along, doing the same work over day by day. That is the way the work was planned and organized.

Mr. FULTON. Were you able to carry that out, or were there interruptions by reason of directives that were given to you to change your plans?

Mr. STALFORD. Well, we were able to carry it out on the warehouse section adjacent to the railroad. That was the first work we started, and it was planned and operated right through on that basis. We had no disruption there, nothing to cause us to upset our regular, normal practice of rotating the work.

As early as October 31 we got our first directive to build a group of buildings under priority.

Mr. FULTON. What would that mean, that you would have to change your plans so as to give priority to this particular specified group of buildings?

Mr. STALFORD. Now on that particular one—that was the first priority, issued on October 31—we were to build a group of 20 buildings to house a tank and an antitank battalion, which were coming in on November 11. In other words, we were given about 12 days to complete these 20 buildings, and we were directed to work 24 hours a day, Saturdays, Sundays, and holidays to have it completed by November 11.

Mr. FULTON. And did you do that?

Mr. STALFORD. We did not quite accomplish it by November 11. Regardless of the amount of effort and skill we put into it, it was several days later before that work was finished.

Mr. FULTON. Did that mean that people had to be pulled off jobs they were doing and told to go to a different section and start working?

Mr. STALFORD. We had to relocate some of the supervisory force and a number of the mechanics and workmen who were at work on a part of the camp and move them out to that section to finish that first.

Mr. FULTON. Did you have to make any change of materials or switch materials from one area to another?

Mr. STALFORD. Not for that particular priority. On that particular priority we were instructed to buy all materials required locally. Our millwork hadn't arrived. As a matter of fact we didn't receive any millwork that was purchased by the Government until November 23, and we did not have the proper type and character of lumber to build these 20 buildings and we had to go into the open market and buy them.

Mr. FULTON. Did you thereafter receive a number of directives as to priority?

Mr. STALFORD. Immediately after that, we received the second priority, of a similar nature, to build what they called the Thirtieth Ordnance. That only consisted of about, I think, 8 or 10 buildings. We were instructed to work on that 24 hours a day and Saturdays and Sundays to complete that within a specified time.

Mr. FULTON. Without going into particulars, were there a number of other such orders that came down from time to time?

Mr. STALFORD. The chief priority was issued about—I think it was some time in November; it was called the January 8th priority, whereby there was a certain number of buildings in each of the sections that had to be completed prior to the others and were supposed to be finished by January 8. That priority upset our regular routine entirely because we were required to close down; discontinue work on the buildings that we had been working on, or a frame of the building that we had been working on, some of which were nearing completion, and transfer our entire efforts over to the priority buildings of January 8.

The CHAIRMAN. How often did you make that jump around? How often did you move from place to place?

Mr. STALFORD. There were about 25 or 30 priorities altogether, sir. We had a priority also on November 4 to complete 40 of the buildings and the hospital by January 8. Time was always of the essence, and speed was always paramount. We were always told that due to the international situation and the emergency that existed, that we simply had to get this work finished on the time set. There was a construction curve drawn and our attention was called each week to the construction curve to see whether or not we were keeping up with it.

Mr. FULTON. With respect to overtime, there has been a considerable amount of criticism of the amount of overtime on the Fort Meade job. Would a part at least of that be due to these priorities and to changes in the priorities?

Mr. STALFORD. Well, naturally, naturally, it would be humanly impossible, physically impossible, to finish work of that character in the 4 months of the year in which it was done, in such a short period of time allotted for the work, if we were only permitted to work 5 days per week. There was one week, for instance, in which we

worked 4 out of the 5 days due to inclement weather—I mean we worked 1 out of the 5 days due to inclement weather, and the following week we worked 3 out of the 5.

Mr. FULTON. You mean part of the overtime was due to inclement weather? I mean, there are several factors—one would be the bad weather.

Mr. STALFORD. Yes, sir; to keep up with the schedule.

Mr. FULTON. Now another would be the fact that you were working on a 5-day week and in order to do 7 days of work a week you had to pay overtime for the other 2 days.

Mr. STALFORD. For the other 2 days; yes, sir.

The CHAIRMAN. How much did you have to pay of overtime?

Mr. STALFORD. A total of \$1,800,000.

The CHAIRMAN. Was that time-and-a-half or double time?

Mr. STALFORD. Some of it was time-and-a-half depending on the trade, sir. Some of it was time-and-a-half, but the majority of it was double time.

Senator BREWSTER. What was your labor turn-over on this job?

Mr. STALFORD. Oh, 60 percent.

Senator BREWSTER. What was your highest employment?

Mr. STALFORD. Between 18,000 and 19,000 men.

Senator BREWSTER. That was your total?

Mr. STALFORD. That was the peak at one time; yes, sir.

Mr. FULTON. Did you attempt to organize the work in shifts so that you could work 7 days a week without any one shift being required to work overtime?

Mr. STALFORD. In the very beginning we organized the work on a 40-hour-shift basis, stagger system.

Mr. FULTON. In other words, there would be a 5-day week for any one men, but some of them would start at different days of the week so that you would have men on the job 7 days a week without overtime; was that your plan?

Mr. STALFORD. Well, my plan was that this being a national-defense job, and being on a Government reservation, that perhaps we might not have to live up to our local prevailing agreements. We started this stagger system whereby the men worked 40 hours, and the next crew came on for 40 hours; their time went on through Saturday and Sunday; they were only paid straight time. There was protest after protest from the business agent of the union. They absolutely insisted that we would have to discontinue that and live up to their agreements, live up to our agreements.

Mr. FULTON. Did you refer that to the Government? You were given instructions on it.

Mr. STALFORD. We continued on with that until finally the union carpenters protested so vigorously because we wouldn't give them any satisfaction that we would discontinue it; that we intended to continue on with that practice, they called a strike in the carpenters' union, went out on strike, and we referred the matter to the War Department.

The CHAIRMAN. How many carpenters did you have on the job?

Mr. STALFORD. We had a total at the peak of about 8,000.

Mr. FULTON. How many carpenters were there in the local in Baltimore at the time that you started your job?

Mr. STALFORD. I think there were perhaps somewhere between 1,100 and 1,400.

Mr. FULTON. So that there would be somewhere around a fifth or a sixth the number in the entire local of the city of Baltimore that you needed for this one job alone; is that right?

Mr. STALFORD. That is right, sir. But in addition to that, sir, I would like to call your attention to the fact that the area surrounding Camp Meade was just loaded up with defense work. There was work at Edgewood, and there was a Coast Guard station in Maryland, and the work at Annapolis, and the Bethlehem Shipbuilding Co., and the Bethlehem Steel Co. There was work throughout Washington and at Fort Belvoir, and all the work around Norfolk and Newport News, and Portsmouth, Fortress Monroe, and so forth. So that we were right in the middle of a tremendous amount of national-defense work.

Mr. FULTON. So that it appears that only a small fraction of the carpenters who worked on your Fort Meade project could possibly have been carpenters who had formerly belonged to the union.

Mr. STALFORD. Well, I imagine that is correct, sir.

Mr. FULTON. Now as to the nonunion carpenters of Baltimore, have you any idea how many skilled carpenters there were in that area?

Mr. STALFORD. No; I wouldn't be able to tell that, sir. I don't know.

Mr. FULTON. Would you know whether it would exceed or fall short of the number in the union?

Mr. STALFORD. Nonunion carpenters in Baltimore?

Mr. FULTON. Of skilled-workmen class.

Mr. STALFORD. I don't know; I wouldn't be able to answer that. I only got my figures for the number of carpenters in the union from the figures that the business agent gave me.

Mr. FULTON. Could you tell us, by the way of estimate, what percentage of the carpenters who worked at the Fort Meade project were skilled carpenters?

Mr. STALFORD. The only way I can answer that is this way, Mr. Fulton: That we had a questionnaire when the men applied for work. In the questionnaire they were asked how long they had been employed as carpenters and by whom. And then we had the questionnaires to ask them certain questions to see whether or not they were carpenters. If they could answer them intelligently, they were employed. We used that throughout the job, discharging the men if finally we found them incompetent or not qualified to do the work. We don't do that on our normal work. We engage men on our normal business on their own say-so that they are carpenters if they are sent to us by the union; and then if we find that they are not satisfactory, qualified or efficient, we discharge them.

Mr. FULTON. Did you find that all the persons who were hired were skilled carpenters?

Mr. STALFORD. I wouldn't say that they were all skilled carpenters, but a lot of them were very good carpenters for that type of work.

Mr. FULTON. Can you estimate what percentage were skilled operators?

Mr. STALFORD. I don't think anybody could estimate that. We gradually, as quickly as we could, discharged those that we found to be not qualified or inefficient.

Mr. FULTON. As I understood it, you had a 3-day period of probation.

Mr. STALFORD. That is correct, sir. That was conceded by the unions after this strike settlement.

Mr. FULTON. And after you employed a man for 3 days you would either retain him or discharge him?

Mr. STALFORD. No, sir; that was a problem with the unions. They were hired with that understanding after this strike settlement of the carpenters by the War Department. When we were notified that we would have to pay the carpenters the double time in accordance with our local practice and make it retroactive, then there was a conference held with the carpenters' union, and we tried to get them to concede a week's probation, but they wouldn't concede a week. They finally conceded to allow us 3 days' probationary period before they would attempt to induct them into the union. And then we hired them on that basis from then on and told them that they would have to join the union if they were still on our pay rolls after the 3-day probationary period. Whether they joined or whether they didn't was no function or care of ours.

Mr. FULTON. What was the fee for joining the union?

Mr. STALFORD. The fee, as I understand it, was \$57.50.

Mr. FULTON. And of course if they didn't join after the 3-day period you couldn't, under your existing relations with the union, continue their employment, could you?

Mr. STALFORD. Well, we continued to employ them. I mean we didn't attempt to discharge them unless the union business agents notified us that these men had not joined the union or were not paying their dues or had not paid their initiation fee.

Mr. FULTON. But under your arrangement, it was necessary for them to belong to the union, or at least have the permission of the union to continue.

Mr. STALFORD. That is correct. I would like to clarify that, sir. We are closed-shop contractors and had been operating closed shop for the better part of 30 years, and we had these agreements and understandings with the unions.

Mr. FULTON. I am not in any sense—

Mr. STALFORD (interposing). A 3-day probationary period was a concession.

Mr. FULTON. And were a number of these people found to be unfit after they had been with you for a period of more than 3 days, and were they subsequently discharged?

Mr. STALFORD. Naturally, it wasn't possible for us to find out all of the men that were not qualified after 3 days. We discharged them regardless of whether they joined the union, or whether they hadn't joined the union. It didn't make any difference to us. We were looking for an efficient crew.

Mr. FULTON. So that after the 3-day period a man who joined the union and paid a \$57 fee might subsequently be found to be a non-skilled carpenter.

Mr. STALFORD. That made no difference to us.

Mr. FULTON. You had no alternative except to discharge him.

Senator BREWSTER. What was your average number on the job of carpenters?

Mr. STALFORD. Carpenters?

Senator BREWSTER. Roughly.

Mr. STALFORD. I say at the peak we had about——

Senator BREWSTER. I asked you what the average was.

Mr. STALFORD. It ran, of course, from a few up to 8,000, and from 8,000 down to a few again, so I guess the average would be around 5,000 men.

Senator BREWSTER. All right. Now, how many different carpenters did you employ in the course of doing the job?

Mr. STALFORD. I think it was around 14,000.

Senator BREWSTER. In other words, that was over a period of about 6 months?

Mr. STALFORD. Over a period of about 5 months, I would say.

Senator BREWSTER. In 5 months, on an average employment of 5,000, you had a turn-over of almost 300 percent.

Mr. STALFORD. My figures might be wrong.

Senator BREWSTER. Well, let's get them right.

Mr. STALFORD. I wouldn't say that that is exactly correct, because we hire and fire or discharge men as we need them.

Senator BREWSTER. I am letting you tell the story. Now, correct it.

Mr. STALFORD. I mean we don't keep men employed if we don't need them and they are discharged and then rehired.

Senator BREWSTER. You mean that your 14,000 figure might include some who were rehired? I asked you how many different carpenters you employed. What did you base your 14,000 on? How did you happen to say that?

Mr. STALFORD. I think I recall seeing the figure, but I am not positive of that.

The CHAIRMAN. That would include some who were rehired that you had before?

Mr. STALFORD. Possibly so. We have a terrific turn-over on any construction job.

Senator BREWSTER. That is all right; we just want to get at the facts. What about the records of the union, would that show how many they signed up?

Mr. STALFORD. I don't know anything about the records of the union, sir.

Senator BREWSTER. Wouldn't that be the quickest way to get at it?

Mr. STALFORD. I think you could find out but I have no way of asserting that.

Senator BREWSTER. I tell you we have had one or two experiences here—boys came down from Maine and they borrowed the money from some Senators to go over there and get a job, and they got the job all right, but I think we let them have about \$15 or \$20 for an initial fee, which apparently they would take them at, and then pay \$5 or \$10 a week. Well, apparently it took you just about 4 weeks to find out they weren't qualified carpenters, so they get their \$40 plus the \$17.50 that they had borrowed—get \$57.50 to pay the joining fee, and at that precise time you or somebody determined they weren't competent. That, of course, invited most unfortunate inferences.

Mr. STALFORD. That might be possible, Senator.

Senator BREWSTER. How much of that do you suppose there was?

Mr. STALFORD. I couldn't say.

Senator BREWSTER. How many 5-week men did you have?

Mr. STALFORD. I couldn't answer that.

Senator BREWSTER. Don't you think that would be rather valuable?

Mr. STALFORD. That developed in the field. They were discharged in the field, of course.

Senator BREWSTER. Wouldn't it be possible to tell from your records about how many cases of that particular character there were? We heard a lot of that, but I happened to know of one specific instance, so I know there is something to it.

Mr. STALFORD. It may be possible that we were notified by the union that they hadn't kept up with their union dues and they were discharged.

Senator BREWSTER. They had paid their joining fee all right. They were kept until that was done. But the week after that was done suddenly they were found incompetent, which would indicate possible collusion between the people who were interested in getting another candidate and somebody in your organization.

Mr. STALFORD. I don't think that could be possible, sir.

Senator BREWSTER. You certainly won't say it is impossible. After all, we are all human.

Mr. STALFORD. It didn't happen that way, Senator. There were various reasons for discharging men after the work got under way, and it is possible that men might have worked there for some weeks and still have been discharged.

Mr. Cox. Not because they weren't carpenters, perhaps, but because we found them loafing. We had so much of that on the job.

Senator BREWSTER. Could you give us a record of the average employment of the men there?¹

Mr. STALFORD. That could be told from our records.

Senator BREWSTER. You see what I have in mind. I think we would like a blanket picture. We are going to ask this in other camps, also; at Blanding we had 6,000 average and an 18,000 reply made just as you made it and perhaps subject to reconsideration after a little thought. We would like to know what the story is. Of course, that is an amazing figure on a 5-month job to have 14,000 men employed on about a 5,000 average. It would seem to me that that is unusual. Wouldn't you say in your experience that that was unusual?

Mr. Cox. Well, I could say it would be unusual, Senator, but this was a most unusual job. If one could understand the pressure under which this job was done, and the manner in which these men had to be hired and tried out in such huge numbers, it is possible to understand that some men might stay on for a longer period than 3 days and still it would not be possible——

Senator BREWSTER (interposing). But what I would like to know is how many 5-week boys you have. That is what I want to know. How many of them were there who happened to run 5 weeks?

Mr. ELDERKIN. At no time did we have sufficient number of carpenters at Meade. We would never lay them off unless for good reason. Then again we had men who would leave there and go to Belvoir at a higher rate.

Mr. FULTON. Mr. Stalford, what is the name of the business agent of the Baltimore Carpenters' Union with whom you dealt on these matters?

Mr. STALFORD. There is a man by the name of Ford.

¹ Mr. Cox subsequently informed the committee that the gross number of carpenters hired at Camp Meade was 11,000; see *infra*, p. 525.

Mr. FULTON. How do you spell that?

Mr. STALFORT. F-o-r-d. Blumenberg is the vice president—international vice president, I think. He has charge of the Baltimore local.

Mr. FULTON. With respect to rentals that were paid on equipment, Mr. Stalfort—

Senator BREWSTER (interposing). Before you go on with that, I would like to finish this thing. Now, on the discharge of these men you had to rely, I assume, for that on the foreman on the job; what do you call him?

Mr. STALFORT. The pushers and foremen and assistant superintendents out in the field.

Senator BREWSTER. How many would a foreman have under him?

Mr. STALFORT. The foreman usually had about a hundred men under him and the pusher about 20 men.

Senator BREWSTER. Then the assistant superintendent was over the foreman?

Mr. STALFORT. He was over the foreman of a unit; yes, sir.

Senator BREWSTER. But it really rested on this foreman.

Mr. STALFORT. It rested on either the superintendent, assistant superintendent, foreman, or pusher; any one of them could lay him off.

Senator BREWSTER. But the foreman was the fellow who had most of these fellows under him and it was on his recommendation that they would be discharged.

Mr. STALFORT. They could go in the timekeeper's office after he discharged them for one reason or another.

Senator BREWSTER. The foreman could do that?

Mr. STALFORT. Yes, sir.

Senator BREWSTER. And there wasn't much of an appeal; I mean, he was out?

Mr. STALFORT. Yes, sir.

Mr. FULTON. There would be as many as 70 or 80 foremen for 8,000 men?

Mr. STALFORT. No; we had more than that.

Senator BREWSTER. Well, you can see what the possibilities were if there were collusion between interested parties to stimulate new candidates.

Mr. STALFORT. Yes, sir.

Senator BREWSTER. But if any one of your foremen listened to any outside interest, there was a considerable advantage in a turn-over.

Mr. STALFORT. They came in there and complained; that is, the union complained time and time again that we weren't making our men join this union. We told them we had nothing to do with that part, whether they joined or didn't join. They kept on protesting there were 10 percent of them or more that weren't actually joining. We told them that was their business, that we couldn't do anything that would be helpful.

Senator BREWSTER. But you wouldn't keep them if they didn't join after 3 days?

Mr. Cox. We wouldn't search them out, Senator.

The CHAIRMAN. But if the union told you that he hadn't joined, you would fire him?

Mr. STALFORD. He would have to tell the foreman out in the field that this man had to be disqualified because he hadn't joined the union or hadn't kept up his union dues.

Senator BREWSTER. This would run into a great deal of money; that is, if there were 14,000 men in the turn-over, if that figure was correct at \$57, that is four or five hundred thousand dollars. I think in justice to the unions, it should be known whether or not they got any such figure as that. Perhaps they were right that 10 percent didn't join—that not 10 percent joined—which of course would mean very much less; but of course that is a good deal that would be involved and then you spread it over unions and it would count up a little.

The CHAIRMAN. Did the common laborers have to join the union, too?

Mr. STALFORD. Yes, sir.

Senator BREWSTER. How much did they have to pay?

Mr. STALFORD. I think their fee was \$25.

The CHAIRMAN. How many common laborers did you have on the job?

Mr. STALFORD. We perhaps had the equivalent at the peak as we had carpenters.

Senator BREWSTER. About 8,000?

Mr. STALFORD. About 8,000.

Senator BREWSTER. How many turn-over on that? ¹

Mr. STALFORD. I wouldn't attempt to say that again because we don't know.

Senator BREWSTER. You can't catch him but once.

The CHAIRMAN. You can furnish us that figure from your records? ¹

Mr. STALFORD. I think I can from the records.

Mr. FULTON. Will you furnish us with an estimate of all the different unions together with their business representatives that were employed in the projects? ²

Mr. STALFORD. The different types?

Mr. FULTON. The different unions and the number of individuals, roughly, which we will understand is an estimate, and the business representative or business agent of the unions.

Mr. STALFORD. Yes, sir.

Mr. FULTON. Did you have something to add?

With respect to equipment, as I understand it, the original cost for all of the equipment that was used on the project was slightly over \$900,000.

Mr. STALFORD. Between nine hundred thousand and a million dollars, sir.

Mr. FULTON. Under the arrangement with the War Department there had to be a valuation put on the equipment?

Mr. STALFORD. That is correct, sir.

Mr. FULTON. For recapture purposes.

Mr. STALFORD. That is correct, sir.

Mr. FULTON. I understand that was about \$757,000.

Mr. STALFORD. I think that is about right, sir.

¹ A list showing total number of employees hired, separated into various trade classifications, was submitted later by Consolidated Engineering Co., and appears in the appendix on p. 711.

² A list of names and addresses of the various union business agents representing employees at Fort Meade, was subsequently supplied and appears in the appendix on p. 711.

Mr. FULTON. Did that mean that the great bulk of all the equipment used on the project was new?

Mr. STALFORTH. No; it would indicate that the total replacement value of over nine hundred thousand, the difference between that and the \$700,000, showed that some of it was old equipment. The difference between the two.

Mr. FULTON. There is some difference, but the difference is not a very large proportion, and, in fact, looking over the schedule of new equipment that you furnished us, it is apparent that at least more than half of it was new and would have to be unless that \$750,000 figure was too high; would it not?

Mr. STALFORTH. I have no idea. I couldn't tell you whether it was new equipment or old equipment, sir.

Mr. FULTON. You have listed that in this schedule for me?

Mr. STALFORTH. Yes; the records will show that; I have given you that.

Mr. FULTON. Either it would have to be substantially new equipment or that \$750,000 figure would have had to be extremely generous to the persons furnishing the equipment, because if it is old there couldn't be much allowance for depreciation, and under the contractor's schedule, depreciation is set up at a very high figure, in many cases 50 percent or more per year; is it not?

Mr. STALFORTH. You mean under the Associated General Contractors?

Mr. FULTON. Yes.

Mr. STALFORTH. I don't know.

Mr. FULTON. Isn't it a fact that even under that schedule some of this equipment was depreciated as much as 50 percent a year?

Mr. STALFORTH. Under the Associated General Contractors' schedule?

Mr. FULTON. Yes; some of it, I say, was depreciated at rates as high as 50 percent a year.

Mr. Cox. Mr. Fulton, I think it is more nearly 20 percent per year, sir.

Mr. FULTON. And figures of 40 percent, 33 percent, 25 percent—you didn't use any of that? Then, generally speaking, you would expect the rentals which you would have to pay to be less than rentals where there was such a high depreciation on equipment because the depreciation factor in your case was relatively small.

Mr. STALFORTH. Are you considering this as a rental schedule?

Mr. FULTON. I am talking about the question of depreciation only. In other words, most of your equipment was equipment that would last 5 years, is that right?

Mr. STALFORTH. I judge so; yes, sir.

Mr. FULTON. And from the depreciation standpoint, we could expect that we would only have to be charging off about 4 months as against a 5-year life, isn't that correct?

Mr. Cox. That depreciation figure that you speak of was set up for the purpose of recapturing by the Government only. But I think you will find that the contractor's equipment ownership expense schedule bases all the rentals on new equipment, depreciating each year for the percentage of the year that the equipment would be in use.

Mr. FULTON. Yes; but my point is this, that if the equipment is expected to last 5 years, I take it that on the average, when you were renting equipment, you were taking equipment that would reasonably be expected to last a total of 5 years with ordinary usage?

Mr. STALFORD. I judge that is right.

Mr. COX. Depending on its use, it probably would, sir.

Mr. FULTON. And the total rental that you paid, I believe, was around \$250,000?

Mr. STALFORD. That is correct.

Mr. FULTON. That is a very much lower figure than had previously been given. Would you explain the difference?

Mr. STALFORD. Well, the other figure that was given prior to that included truck hire and truck rental.

Mr. FULTON. And this \$275,000 would be somewhere in the neighborhood of 30 percent of the original cost of the equipment?

Mr. STALFORD. Approximately, a little less; yes, sir.

Mr. FULTON. Now, were those rentals generally at the schedule of ownership expense which the contractors' general association made, or would they in general exceed it?

Mr. STALFORD. This is an ownership expense schedule, and the equipment that we rented was rented from equipment dealers and other contractors, and naturally to this schedule would have to be added their overhead and profit and their service charges, ready-to-use charges, plus a profit—if you add 25 percent.

Mr. FULTON. When you say that I note in this schedule there is overhauling and major repairs and painting, and they seem to allow rather healthy percentages for that, as small as 17 percent.

Mr. COX. Mr. Stalford doesn't mean that; he means the usual service, every-day service on the job, greasing, oiling, and so on, in furnishing that.

Mr. FULTON. As distinct from repairing. In other words the use of an oil can to put oil into it rather than the question of taking it apart or overhauling?

Mr. STALFORD. That isn't what we mean. Some of this equipment is rented with service; that is, they service their own equipment, grease it, oil it, and maintain it on the job, and furnish the fuel.

Mr. FULTON. If you were a contractor who had had equipment you would have found when you were allowing for your expense in overhauling and making of repairs, you would have been including the expense for this servicing, would you not?

Mr. COX. Not the fueling and the full operation. That would be for repairs and minor repairs, Mr. Fulton.

Mr. FULTON. That is what I mean. It would be the oil that would be put into it and the gasoline which would be burned.

Mr. COX. No, sir.

Mr. STALFORD. And the field maintenance and repairs in the field.

Mr. FULTON. Would not the repairs in the field be included in the contractor's general expense?

Mr. STALFORD. Not in this, sir. This is shop repairs.

Mr. FULTON. I see. And this includes interest, taxes, storage, insurance?

Mr. STALFORD. Yes, sir; that is right.

Mr. FULTON. Factors running usually around 11 percent. What I had in mind is, was the expense of equipment as rented by you higher than this schedule, and if so, how much higher?

Mr. STALFORT. If you would add 25 percent to this schedule, plus 10 percent profit, you will find that a lot of the equipment we rented would be under that, and a lot slightly over. I think it would average about 8 percent over that.

Mr. FULTON. Then, I take it, that you were running equipment at 43 percent on the average? Above the schedule of the contractor's ownership expense; is that right?

Mr. STALFORT. Yes; ownership expenses, that is on a rental schedule.

Mr. FULTON. But it would be about 43 percent over?

Mr. STALFORT. That is about right, sir.

Mr. FULTON. And specifically, in renting any given piece of equipment, were you in competition with other contractors having Government contracts in the same general area who could and did want to use the same type of equipment at the same time that you needed it?

Mr. STALFORT. I can't say that. I don't know that. All I know is that our equipment man here scoured the territory, surrounding territory, for all the equipment that was required. He got bids on all of this, got prices on the rentals, and then submitted—got the authority for the rental, for the renting of the particular piece of equipment, and then submitted the prices that we got for the rental of that and had it either authorized or disapproved.

Mr. FULTON. You mean by bids he got offers from the owners as to what they were willing to take?

Mr. STALFORT. Yes, sir. For instance, if we wanted a shovel we got a price from three or four owners where we would pick them up there, and got their individual prices and used the lowest of the three.

Mr. FULTON. Apparently you went to some people and asked them to supply equipment which they could supply only by purchasing it new themselves?

Mr. Cox. I doubt very much if anything was bought new to bring to Camp Meade. I think if you will look through this record you will find that while it was fairly new and had been purchased prior to this contract; there might have been some instances, it is true, but, generally speaking, I don't think it would be true there.

Mr. FULTON. How much equipment did your own firm furnish to the work?

Mr. STALFORT. We didn't furnish any, sir.

Mr. FULTON. Did you have any equipment?

Mr. STALFORT. Yes, sir; we furnished the list of equipment along with our brochure, some months prior to Camp Meade coming up. By the time this contract was in force most of it was being used on our normal work. At the same time the great majority of our equipment wouldn't be suitable for the work at Meade. Our equipment consisted mainly of hoisting engines and concrete mixers.

Mr. FULTON. You used a great many concrete mixers for those piers or foundations?

Mr. STALFORT. No, sir.

Mr. FULTON. Didn't you?

Mr. STALFORT. We used none, sir; we used ready-mix concrete trucks.

Mr. FULTON. I see, and how could you get trucks in there in that kind of weather?

Mr. STALFORTH. They couldn't get into the specific areas. They dumped into sleighs and then the tractors drew the sleighs.

Mr. FULTON. I see. Then they would have to be shoveled from these sleighs into the foundation?

Mr. STALFORTH. That is right, sir.

Mr. FULTON. Couldn't you more economically have used concrete mixers at the foundations?

Mr. STALFORTH. No, sir; that wouldn't have been economical at all, because the mixing would have been scattered too widely over the entire camp area and the loads of gravel and sand dumped into mud would be hard to separate.

Mr. FULTON. And you would have had to put the gravel and sand on the mud scows and tow them in the same as the concrete?

Mr. STALFORTH. Here we had a central mixing plant and everything was brought to the central mixing plant and carried by mixer trucks to the nearest point, and then dumped into—sometimes it was 3 or 4 miles away—sleighs and dragged through the mud by tractors.

Mr. FULTON. So that would it generally be true that your company had very little equipment of the type that you would want to use?

Mr. STALFORTH. Of the type that we would want to use at Camp Meade.

Mr. FULTON. Did you usually do your own grading work on other jobs?

Mr. STALFORTH. It is dependent on the type and character of the work. We have done a lot of big, heavy grading jobs; but the majority of our normal business on building operations, where we can definitely get a firm price on something definite, we sublet.

Mr. FULTON. And you could not sublet this because you didn't know enough about the exact nature and extent of the work to ask for instructive bids?

Mr. STALFORTH. There was no way at all to formulate a contract or price on the work to be done at Camp Meade, because the conditions changed daily.

Mr. FULTON. That was the principal reason why you departed from the regular procedure in that respect?

Mr. STALFORTH. Yes; on a job of that nature where we can't determine the amount of work involved or set a contract price, we would ordinarily do it ourselves.

Mr. FULTON. Mr. Stalfort, at the time that you got this contract—that is, at the time that you were told that you were to be given it—had you been asked questions as to the profit which your firm had made in prior years in other work?

Mr. STALFORTH. No, sir.

Mr. FULTON. Had you been asked to submit, before you were selected, figures as to how much you would take as a fee for a 4 or 5 months' job?

Mr. STALFORTH. No. The fee was established, and we were advised what the fee would be.

Mr. FULTON. And you were advised that the fee would be set by a percentage basis on the total estimate of the job?

Mr. STALFORTH. That is right.

Mr. FULTON. And as a matter of fact, of course, the job was much larger than the estimate?

Mr. STALFORTH. That is right.

Mr. FULTON. So that by reason of that your fees are less than they would have been had the total amount of the job been known at the time the contract was let?

Mr. STALFORTH. Our fee now will amount to less than one and a half percent.

Mr. FULTON. Have you figured how much your fee would have been if they had known the total amount of the estimate as it actually turned out? I don't mean percentagewise.

Mr. STALFORTH. I don't know what their curve is on that.

Mr. FULTON. I see.

Mr. STALFORTH. Or how that would work out.

Mr. FULTON. Well, what is the total amount of the job as it turned out?

Mr. STALFORTH. Our costs will run around slightly over \$20,000,000.

Mr. FULTON. Well, this chart doesn't go that far, but the fee would apparently be somewhere in the neighborhood of 2½ percent, which would be about \$500,000.

Mr. STALFORTH. Yes, sir.

Mr. FULTON. What is the actual fee you agreed to take?

Mr. STALFORTH. \$226,000.

Mr. FULTON. Or something less than half what it would have been had the estimate been known.

Mr. STALFORTH. That is right.

Mr. FULTON. Now even at that basis, how does that compare with your total net profits for the year 1939?

Mr. ELDERKIN. I might answer that question, Mr. Fulton. The net profit, as far as Fort Meade is concerned, after taking \$182,700 of the fee into the 1940, is \$54,721.29.

Mr. FULTON. Did you charge off against the \$130,000?

Mr. ELDERKIN. Over into the year; yes, sir; to bear a proportionate part of the overhead.

Mr. FULTON. Let's ascertain that. Take 1939, what was the total gross profit of your firm for that year?

Mr. ELDERKIN. '39?

Mr. FULTON. Do you have those figures there? It was \$388,000, wasn't it?

Senator BREWSTER. I want to correct my arithmetic, because I don't want it to appear that I was so poor a multiplier. I want to make it appear in the record if there were 14,000, and if they did pay \$57.50, it would be \$809,000 instead of \$400,000. I don't mean to intimate that there was any such sum, but I am simply indicating that to be the case. And I do think the various individuals involved should have an opportunity to clarify as to what it actually was.

The CHAIRMAN. It has reference to the 14,000 carpenters.

Mr. STALFORTH. You mean that 14,000. As far as what the union was collecting, I don't know about that.

The CHAIRMAN. I understand you don't know about that. But I think we ought to have the whole picture clear as to what did transpire.

Mr. FULTON. As I understand it, the profits were around \$388,000 in 1939.

Mr. ELDERKIN. 1939; yes, sir.

Mr. FULTON. And in 1940, by reason of the Government work, you did less private work than you did in 1939 and the prior years, is that not true?

Mr. ELDERKIN. Our proportion for 1940 of a total of \$15,193,000 worth of business, there was ten million four hundred thousand dollars—some-odd Government work, and \$4,656,000 on private work.

Mr. FULTON. Then about——

Mr. ELDERKIN (interposing). Our net profit on our private work was \$278,438.25.

Mr. FULTON. So that you say that your private work—you made almost three times as much net profit in 1940 as you made on it in 1939?

Mr. ELDERKIN. Yes, sir. In analyzing our statement for '39 you have got to take in addition to our profit for the year our potential profit on jobs not closed. This is not carried into the profit-and-loss account.

Mr. FULTON. That would be true of both years, of course?

Mr. ELDERKIN. That would be true of all years. You will find quite a different set-up.

Mr. FULTON. What I had in mind is that in 1940 you say that your private work was almost three times as profitable as it had been in 1939, when you didn't have any Government work?

Mr. ELDERKIN. That is correct.

Mr. FULTON. And you allocate of your total 1940 profits something like 60 percent of it to one-third of the dollar volume?

Mr. ELDERKIN. We have to take our total business for the year and our total overhead and get the percentage of overhead on the entire business to apply against the various jobs to determine our net profit.

Mr. FULTON. No; but I mean, would it be a fair statement to say that the great bulk of your profit, you say in 1940, was made from one-third of your work, so that you found your private work to be almost twice as profitable as your Government work?

Mr. ELDERKIN. That is correct, and that is because the fee on this particular job was so small.

Mr. FULTON. Well, now let's see as to that. On the \$5,000,000 of private work, how much overhead did you charge to that?

Mr. ELDERKIN. 2.207 percent.

Mr. FULTON. No, I mean by that, how much, in proportion, of your overhead did you charge to that private work?

Mr. ELDERKIN. \$102,880.

Mr. FULTON. What was your total overhead?

Mr. ELDERKIN. \$335,414.

Mr. FULTON. Well, now, you only charged the proportionate part of the overhead?

Mr. ELDERKIN. That is right.

Mr. FULTON. Now if you had not had any of that Government work, how much of that \$335,000 overhead would you still have had?

Mr. ELDERKIN. If we hadn't had the Government work we would have had other private work that we turned down, due to having the Government work.

Mr. FULTON. I mean how much of that Government work, how much actual expense did you incur on the Government work?

Mr. ELDERKIN. In last year's business?

Mr. FULTON. Including in that overhead?

Mr. ELDERKIN. Are you speaking of what we will not be reimbursed for?

Mr. FULTON. Yes.

Mr. ELDERKIN. I cannot give it to you as to 1940 but up to April 10 it is in the neighborhood of seventy-five or seventy-six thousand dollars.

Mr. FULTON. And would therefore be about one-half of that?

Mr. ELDERKIN. You mean——

Mr. FULTON. In the 1940 year, because you have included part of 1941.

Mr. ELDERKIN. I would say about half of that. It would bear checking, though.

Mr. FULTON. Does that mean that actually if you hadn't had the Government work your overhead would still have been around \$300,000, because of actual out-of-pocket expense?

Mr. ELDERKIN (interposing). We wouldn't have had as much expense, Mr. Fulton.

Mr. FULTON. I thought you told me that the people you actually hired cost you \$38,000?

Mr. ELDERKIN. I am speaking of nonreimbursable items under that contract.

Mr. FULTON. That is right.

Mr. ELDERKIN. That which we would not have had if we didn't have that contract.

Mr. FULTON. Doesn't that mean that everything else is something that you would have had if you didn't have the contract?

Mr. ELDERKIN. Not necessarily, because we wouldn't have had as many additional employees in our main office. There are quite a number of intangible items that cannot be figured.

The CHAIRMAN. We will recess until 10:30 in the morning and proceed from there.

(Whereupon, at 4:25 p. m., the committee recessed until 10:30 a. m. Wednesday, April 30, 1941.)

INVESTIGATION OF NATIONAL DEFENSE PROGRAM

WEDNESDAY, APRIL 30, 1941

UNITED STATES SENATE,
SPECIAL COMMITTEE INVESTIGATING THE
NATIONAL DEFENSE PROGRAM,
Washington, D. C.

The committee met at 10:30 a. m., pursuant to adjournment, Tuesday, April 29, 1941, in room 335, Senate Office Building, Senator Harry S. Truman presiding.

Present: Senators Harry S. Truman (chairman); Mon C. Wallgren, Ralph O. Brewster, and Joseph H. Ball.

Present also: Hugh A. Fulton, Chief Counsel, and Charles P. Clark, Associate Chief Counsel.

The CHAIRMAN. The committee will come to order. Proceed, Mr. Fulton, with the examination.

TESTIMONY OF JOHN N. STALFORD, PRESIDENT; T. N. COX, C. E. ELDERKIN, AND H. W. BERGER, CONSOLIDATED ENGINEERING CO., INC., BALTIMORE, MD.—Resumed

Mr. FULTON. Mr. Stalford, did you have anything to add to any of the part that you had already testified to?

WORK OF CONSOLIDATED ENGINEERING CO. IN CONSTRUCTION AT
FORT MEADE ¹

Mr. STALFORD. If you will bear with me a moment, I would like to try to bring out the colossal nature of the work that we performed at Camp Meade from the 9th of October to the 1st of April.

The CHAIRMAN. You have permission to do that. Make it as concise as possible, Mr. Stalford.

Mr. STALFORD. Yes, sir; I will, sir.

During that period we built 1,155 buildings, not including our temporary structures. That included a thousand-bed hospital built in a 1,500-bed plan. In addition to that we built 36 miles of cast iron water mains, from 16-inch down. That included also about 200 fire hydrants. In connection with the sewer work, we built 30 miles of sewers, from 24-inch down, a great portion of which, especially the interceptor sewer, was in a very deep cut, and other portions of it——

The CHAIRMAN. That deep cut was brought about by the situation of the hospital, wasn't it?

Mr. STALFORD. No; that was a tunnel, sir. The deep cut was at the connection of the Franklin interceptor, down at the end.

Mr. FULTON. There was both a tunnel and a cut?

¹ This subject is resumed from p. 493, supra.

Mr. STALFORT. In connection with building these 30 miles of sewers, the sewers and water were started on November 8, and had to be completed by the middle of February so as to make connection with the hospital, because the camp could not be occupied until the hospital was in operation.

In connection with the sewers, also, as we stated yesterday, there was a tunnel built, about 700 feet long. There were twenty-some miles of roads built, including some very fine concrete roads in the railroad and warehouse section which ordinarily would never be built in that time of the year, and of course it was naturally very expensive. I thought I would mention those few items to let you have some idea of the colossal nature of the work that was done there in such a short period of time.

There is just one other matter that I would like to clarify, and that is the size of the camp. I understand it was stated here before the committee that our camp cost \$1,000 per man. I don't know where those figures come from or how they are arrived at.

Mr. FULTON. They are arrived at by dividing the total cost of the camp by the number of men—23,000, I believe, referred to in this construction report of the Quartermaster General.¹

Mr. STALFORT. I would like to clarify that, somewhat, because we built housing, 380 barracks, 63-man barracks, and 32 officers' quarters. They will definitely house 25,190 men, by their own statement of so many men per building.

The CHAIRMAN. The camp itself, is it built to house 21,000 men or how many is it supposed eventually to house?

Mr. STALFORT. Senator, I understand from the architect-engineers that there are facilities there, including utilities—and when I say facilities I mean mess halls, storehouses, warehouses, infirmaries, gas stations, motor repair shops and all the facilities required for a camp, with the exception of the barracks required, for one-third more men. So, in other words, they can increase that camp by adding one-third more barracks to it only, and increase the camp by 33 percent.

The CHAIRMAN. That would make it some 30,000 instead of 21,000?

Mr. STALFORT. 33,000 men.

Mr. COX. It is now actually built for 25,190.

The CHAIRMAN. And there are actually there some 13,000 men.

Colonel WILSON. By June 30 there will be there 25,918.

The CHAIRMAN. Was there any reason, Colonel Wilson, why these extra facilities could not have been built in better weather, because it seems to me that the facilities for the actual men who were going to be there in this bad weather were the emergency things that should have been built, and the facilities that were for the people who were to come on in good weather could have been built in good weather at much less cost to the Government?

Colonel WILSON. Yes, sir; that may be correct.

Mr. STALFORT. Our camp, the way we figure it, cost around \$879 per man, and if the few additional barracks were added to accommodate the 33,000 men, the camp cost would be reduced to \$700 per man.

The CHAIRMAN. I see.

Mr. STALFORT. Now, the same applies to the hospital. The hospital was built for a thousand-bed hospital on a 1,500-bed plan. The

¹ Hearings, Part 1, Exhibit No. 32, on file with the Committee.

only thing that is necessary to increase that hospital to a 1,500-bed plan would be to add the necessary wards. All the other facilities are there, all the clinics and operating buildings and everything that goes to making a hospital.

The CHAIRMAN. Well, if the camp had been built to house the 13,000 men that are actually there now, if that part of the camp had been built in bad weather and the part that has been added for the 33,000 had been built in good weather, would you not have had a chance to do it on a much less cost basis?

Mr. STALFORD. Absolutely, Senator. Our costs there, increased costs, if you care to call it that, were due mainly to the time element, the time that we were required to build that camp, within such a short period of time.

The CHAIRMAN. How much do you think that that would amount to, in total figures—just an estimate?

Mr. STALFORD. The time alone amounted to approximately \$2,000,-000 on account of overtime alone.

The CHAIRMAN. And what other costs would be added to it?

Mr. STALFORD. The fact that we had to employ so many men in a shorter space of time, and didn't have the opportunity to select those men as carefully as we would have otherwise.

The CHAIRMAN. How much would that add to the cost?

Mr. STALFORD. That would be an intangible figure. I wouldn't know how to determine that.

The CHAIRMAN. Would it be as much as a million dollars?

Mr. STALFORD. Perhaps more than that.

The CHAIRMAN. One million dollars would be a conservative estimate?

Mr. STALFORD. Yes, sir.

The CHAIRMAN. In other words, it cost between three and three and a half million dollars more to build a 33,000-man camp when, if you built that 13,000-man camp in bad weather and added the other facilities for the 33,000 in good weather as it comes along between now and June, there would have been a saving of probably as much as three or three and a half million dollars?

Mr. STALFORD. That is conservative, I think.

Another thing that increased the costs materially were these priorities. They upset our plan of operation and regular organization. In addition to that there was the inefficiency of the men we had to hire and discharge. Our rate of pay there, as you know or have heard, was \$1.25 an hour, where in surrounding camps the rate of pay for carpenters was \$1.62½. You can imagine for yourself that we naturally would get the worst of the men.

Mr. Cox would like to say something.

Mr. Cox. Senator, we have heard so much about this cost and we feel that it has been erroneously and unfairly compared with the original contract estimate. I don't believe it has been made quite clear to the committee just what that original contract estimate meant.

The CHAIRMAN. All right.

Mr. Cox. In considering the cost, in addition to these factors that Mr. Stalford has talked about we have got to have some understanding of what this original contract estimate meant. The total original estimate was ten million and about five hundred thousand dollars.

The record of the cost of the work indicates that the nonlabor items alone at Camp Meade amounted to over \$9,600,000, leaving a balance of less than a million dollars for labor. The total labor cost down there was twelve and a half million; so obviously that estimate was wholly inadequate.

The CHAIRMAN. What caused that tremendous increase in the cost of the materials? My goodness alive, it looks to me that with ordinary current prices and a pencil men could figure what materials would cost.

Mr. Cox. It is not a tremendous increase in materials. There were some increases to be sure, but the increases are not reflected there. What I am pointing out to you is that that estimate was inadequate. There are probably a number of reasons for it. I have made a number of notes here. In the first place, the original estimates prepared by the Army were calculated on so much per man basis, based on the World War experience. Of course we know that present-day prices are considerably in excess of the cost during the World War. The facilities provided at Fort Meade are far in excess of the facilities provided in the original World War. The conditions are infinitely better under which the men live. There are so many added features by way of recreation and various other buildings there to complement what was originally had.

The estimate was prepared prior to the selection of the camp site and the camp layout, and doubtless was based on ideal conditions.

You heard discussed yesterday the question of camp site and weather conditions. They were terrific. Notwithstanding that, we were forced to produce that job in a phenomenal period of time. There was nothing to do but go from the very start of it.

That required the employment of large forces of men. I think Mr. Stafford has brought that out. It required the employment of men who were not qualified for the work, which I believe we spoke about before; and when all those things are taken into consideration, it should be evident to you that we had a tremendous proposition on our hands. These items, as well as others, could not have been considered in the preparation of the original estimate, but nevertheless they contributed considerably to the final cost.

I don't know that I should take the time to go through these items, but I have referred in this to the overtime, which has been referred to before.

The CHAIRMAN. If you like, you may put that in the record and make it a part of your remarks.

Mr. Cox. It would be largely repetition, and it would be hardly worth while to burden the record with it.

Senator BREWSTER. As to this first item of the difference in cost between now and 1918, that, of course, was a matter that was well known to everyone familiar with construction; was it not?

Mr. Cox. Well, of course, Senator, we don't know the basis on which the War Department made their estimate.

Senator BREWSTER. I am asking you whether anyone familiar with the construction business didn't know what the differences between both material and labor costs were between 1918 and 1940.

Mr. Cox. Generally they should know that.

Senator BREWSTER. That should be an elemental matter.

Mr. Cox. But the preponderance of this work coming on the market at one time—

Senator BREWSTER. Let's take one thing at a time. The first item you gave was that there was a difference in cost between now and 1918.

Mr. Cox. That is true, sir.

Senator BREWSTER. I ask you whether anyone familiar with the construction business shouldn't have known that all last year, and I am not referring to you any more than anyone else.

Mr. Cox. Yes, sir.

Senator BREWSTER. As far as the estimates for the cost of this work, to the extent that they were affected by that difference that should have been known to anyone who was in the business?

Mr. STALFORD. Well, we weren't given an opportunity to check the estimates.

Senator BREWSTER. I am not putting the responsibility on you. I am just getting this thing clear.

The CHAIRMAN. We believe that everybody knew there was a difference in cost.

Senator BREWSTER. Now, on the second question, of the difference in what was provided between '18 and '40, I want to know at what time that difference was determined, if you know.

Mr. Cox. We wouldn't know that, Senator.

Senator BREWSTER. Was it known when you undertook the job that you were going to provide more facilities than were provided in 1918?

Mr. Cox. We didn't realize it, but it was known then, because it was part of the plan.

Senator BREWSTER. When you took the job, on what was the date?

Mr. Cox. September 26.

Senator BREWSTER. 1940, you were given sufficient data regarding what would be constructed so that it was possible to determine that more facilities were being provided than were provided in 1918?

Mr. Cox. Yes, sir.

Senator BREWSTER. Whether or not it was known to you, that was a matter of determining?

Mr. Cox. Yes, sir.

Senator BREWSTER. That assists in placing the responsibility. Would you have any idea of what percentage of change in construction cost existed between '18 and '40?¹

Mr. Cox. No, sir; I wouldn't know that, Senator.

Senator BREWSTER. Isn't there an index figure?

Mr. STALFORD. We could check it up on an index.

Senator BREWSTER. We would like to have that index figure.

Mr. Cox. We will be glad to give one to you.

Senator BREWSTER. We would like to have further your estimate of what percentage the cost was increased by additional facilities, see, second?

Mr. Cox. That would be difficult for us to ascertain, Senator, because we don't have plans of the original camp. We have no way of making that comparison.

The CHAIRMAN. I think we will have an Army officer on here directly that can furnish those figures.

¹ The Consolidated Engineering Co. subsequently submitted their building index for the years 1900-1941. See appendix p. 712.

Senator BREWSTER. He is the one who started testifying about this. He said the reason this cost more than 1918 was because you are building something different.

Mr. Cox. Are you speaking of my testimony, sir?

Senator BREWSTER. Yes, sir; right now.

Mr. Cox. I was only attempting to show what might have influenced that low estimate, which I say was wholly inadequate. I am only just trying to figure in my own mind what they might have had before them at the time. I know they didn't have the camp site, Senator.

Senator BREWSTER. You must——

Mr. Cox. Perhaps I am presumptuous in that, and if I am, I apologize.

Senator BREWSTER. As an engineer and construction man you are accustomed to speaking carefully, and you wouldn't say that unless you had something to base it on.

Now, we want to know, or I want to know at any rate, how much difference that made.

Mr. Cox. Well, we were told that. In my statement I said, "We are told that this camp was based on the World War conditions."

Senator BREWSTER. Then it is not a matter of concern of which you have any personal knowledge?

Mr. Cox. No, sir.

But I do wish to reiterate that obviously that estimate was wholly inadequate for that work.

The CHAIRMAN. Well, undoubtedly it was, when one figures the cost.

Senator BREWSTER. Of course you realize you are placing responsibility and using some strong language.

Mr. Cox. It is backed up by the fact that the material alone cost almost as much as the contract; that is, the nonlabor items. I want to clarify that. The nonlabor items alone cost almost as much as the total contract, so one doesn't have to be keen to realize that it was low.

Mr. FULTON. The lowness, Mr. Stalfort, would of course affect, as we brought out yesterday, the amount of your fee, because the fee would have been automatically higher by the application of the War Department's chart had they had an estimate which accurately reflected the costs that ultimately were incurred.

Mr. STALFORT. Yes, sir.

Mr. FULTON. And before going into that question any further, will you tell us your opinion, based on the construction cost as you know it, painted buildings, termite shields, concrete piers, and so on, as to how long those buildings, if properly cared for, would be expected to last?

Mr. STALFORT. Well, Mr. Fulton, frankly, they speak of them as temporary buildings. If properly maintained and cared for I would say those buildings should last 60 or 70 years or more. They should last as long as any ordinary frame building in the country would last.

Mr. FULTON. Except the ordinary frame building in the country doesn't, for example, have termite shields.

Mr. STALFORT. That is correct.

Mr. FULTON. And many of them do not have concrete foundations.

Mr. STALFORT. That is right, sir.

Mr. FULTON. So in many ways these buildings are constructed even better than the ordinary dwelling house in the State of Maryland would be constructed.

Mr. STALFORD. In a lot of instances; yes, sir. They should last a great number of years.

Mr. FULTON. With respect to the fee, we were discussing yesterday the total amount of the Fort Meade fee, which I believe was \$226,700, without adjustments.

Mr. STALFORD. That is correct, sir.

Mr. FULTON. Under your contract there is a provision that if they increase the number of buildings or the amount of work to be done, there should be an equitable adjustment of the fee, and I understand there were increases in the number of buildings and other things with respect to the contracts on the basis of which you will ask an additional fee.

Mr. STALFORD. Well, the original contract was based on a gross amount of eight-million-and-some-odd-thousand dollars, and within a week or so it was increased by almost two million.

Mr. FULTON. Irrespective of the fact that the estimate was wrong as to the work that was done, there was extra work ordered for which, under the terms of the contract, you were to receive an additional fee?

Mr. STALFORD. That is correct, sir.

Mr. FULTON. And how much do you estimate now the additional request for the fee would be?

Mr. STALFORD. I haven't made any estimate, Mr. Fulton, at all. The supplements came through, and all the supplements said that the fee would be adjusted later.

Mr. FULTON. But the contract said the claim should be made within 10 days. Haven't you any estimate at all, despite our request for one a week ago?

Mr. STALFORD. I imagine the adjusted fee will be perhaps \$50,000 more; maybe not that much.

Mr. FULTON. Certainly not more than \$50,000?

Mr. STALFORD. I don't think so.

Senator BREWSTER. That will apply only to additional structures?

Mr. COX. That is change in scope only, Senator.

Mr. STALFORD. That is correct.

Senator BREWSTER. You feel you are committed to that original estimate so far as original work is concerned?

Mr. STALFORD. Oh, yes; we are, sir.

Mr. FULTON. That would make a total fee in the neighborhood of \$275,000.

Mr. STALFORD. If we collect the additional fee; yes, sir.

Mr. FULTON. I have asked if you would make up a list of the non-reimbursable expenses that you have incurred, which you would not have incurred except for the Fort Meade project. Do you have such a list?

Mr. STALFORD. We have prepared a list; yes, sir. It amounts—it will amount, we think—to about \$75,000.

Mr. FULTON. What are the various items included in that \$75,000 of expenses which you say you will not be reimbursed for?

Mr. ELDERKIN. May I answer that question?

Mr. FULTON. Certainly.

Mr. ELDERKIN. The interest alone up to the 22d of this month is \$34,000.

The CHAIRMAN. That is interest you paid on borrowed money?

Mr. ELDERKIN. On borrowed money for the handling of this work, yes.

Mr. FULTON. That is only for money actually used on the Fort Meade project, and not for borrowed money used on the private work or on the San Juan Naval Base?

Mr. ELDERKIN. For years we have not borrowed money on our private work. It was the Government work that necessitated borrowing money, and to borrow heavily.

Mr. FULTON. Is that \$34,000 also inclusive of money borrowed from the San Juan Naval Base project?

Mr. ELDERKIN. I would say approximately there might be between 8 and 10 thousand dollars of that amount in connection with the other Government work.

Mr. FULTON. So it is really, then, around \$25,000, to take \$8,000?

Mr. ELDERKIN. As far as Meade goes.

Mr. FULTON. What would be the next large item?

Mr. ELDERKIN. We have nonreimbursable expenses of salaries and time for executive forces, and all that figures close to \$40,000.

Mr. FULTON. And that makes no allowance for anything except the proportionate time that those men spent on Fort Meade as distinct from San Juan or private work?

Mr. ELDERKIN. That is correct.

Mr. FULTON. What was that total? Forty thousand?

Mr. ELDERKIN. About \$40,000, yes, sir.

We have quite a number of intangible items that it was hard to determine overnight. For instance, there are nine automobiles every day that were used on that camp, as far as our force was concerned. There was no charge of any description made for that.

Mr. FULTON. When you say "nine automobiles," you do mean owned by your company?

Mr. ELDERKIN. Owned by our company, yes, sir; and messenger service to and from the job every day; our increased telephone cost, any number of items entering into it.

Mr. FULTON. Let's try to allocate this \$40,000. Does that arise by reason of the executive time that was spent by the executives?

Mr. ELDERKIN. That arises from executive time and key personnel that are paid in excess of what we were reimbursed for from the Government.

Mr. FULTON. How much of that would be due to key personnel as distinct from executive time?

Mr. ELDERKIN. Between 10 and 15 thousand dollars.

Mr. FULTON. And that would relate only to Fort Meade?

Mr. ELDERKIN. Only to Fort Meade, yes, sir.

Mr. FULTON. And that means, then, that you have from 25 to 30 thousand dollars of this nonreimbursable expense as being the proportionate share of the executive's time.

Mr. ELDERKIN. Plus the fact that we will have items that will be charged against our fee in the final settlement that we are not familiar with at this time.

Mr. FULTON. And those items are items such as discounts that, as you explained to me yesterday evening, you had claimed but which

you could not take because the Government didn't pay you soon enough for you to pay—

Mr. ELDERKIN. The Government is holding us for the discount. It wasn't that the Government didn't pay it. Temporarily they were out of funds. That is a matter that is to be discussed before our settlement, and we don't know how that might come out.

Senator BREWSTER. I thought that was one of your undertakings, to finance the thing.

Mr. ELDERKIN. It was, but not to the extent that was required, Senator.

Senator BREWSTER. Was there any limitation on the amount to which your financing would go?

Mr. ELDERKIN. I don't think so.

Senator BREWSTER. So that so far as the contract is concerned, you were obliged to do whatever was necessary to carry that project through.

Mr. ELDERKIN. Absolutely; but we were to be paid, reimbursed, weekly, and we were not reimbursed weekly a number of weeks.

Senator BREWSTER. The Government undertook to reimburse you each week for all the expenditures of the previous week?

Mr. ELDERKIN. They should have; yes, sir.

Senator BREWSTER. Was that their undertaking?

Mr. ELDERKIN. That was their undertaking, yes; but it didn't work out that way all the time.

Senator BREWSTER. And the items were approved by all Government agencies concerned except by the fellow who actually disbursed the funds?

Mr. ELDERKIN. Except for the man who signed the check, and he didn't have the credit to issue the check against.

Mr. FULTON. Then, Mr. Stalfort, we have a total of nonreimbursable expense which you estimate, although you can't be positive of the exact amount, at approximately \$75,000, of which about \$25,000 is interest that you paid on borrowed money to finance the project, and twenty-five to thirty thousand is the time of your executives, and ten to fifteen thousand is the time of the personnel that you paid higher wages to than you were able to recover from the Government.

Now, that leaves a sum, then, of about \$200,000 by which the fee exceeds the amount of the expenses that you were not able to obtain reimbursement for. What was the fee on the San Juan naval air base?

Mr. STALFORT. The fee on that job—you understand that that was a coventure between two companies.

Mr. FULTON. I first wanted the full fee, and then I was going to apply half of it.

Mr. STALFORT. The fee was \$450,000.

Mr. FULTON. And you have a coventure, so you have half of that?

Mr. STALFORT. Yes, sir.

Mr. FULTON. Which would be \$225,000.

Mr. STALFORT. I would like to say this about that job. That is totally different from the Camp Meade job. The expectancy on that job is 2½ years, rather than 3½ months, which makes a big difference.

Mr. FULTON. Yes.

Now, with respect to that job, is there any expectancy of asking for a higher fee by reason of changes in the plan?

Mr. STALFORT. For additional work? Yes, sir.

Mr. FULTON. And how much do you estimate now, as nearly as you can, that will be?

Mr. ELDERKIN. Mr. Fulton, when we returned last night it was so late that we could not get in the joint venture office. We had been prepared to come here with data on Fort Meade. Now, as far as San Juan goes, we would have to be allowed some time to get that information together.

Mr. FULTON. Then we will assume just that there will be a request for some addition to the fee by reason of the increases, but you don't know how much?

Mr. STALFORTH. Yes, sir.

Mr. ELDERKIN. That is correct.

Mr. FULTON. Now, in view of the length of time, I suppose only about one-third of that project has been completed, is that right?

Mr. STALFORTH. No, sir; we had a 2½-year expectancy, according to our contract. We started in October a year ago and we expect to have our original contract finished by this coming October.

Mr. FULTON. In other words, it will be a 1-year job.

Mr. STALFORTH. It will be a 2-year job. We will complete it in 2 years instead of 2½ years.

Mr. FULTON. How much is your nonreimbursable expense on that job?¹

Mr. STALFORTH. That is something else we would have to get for you.

Mr. FULTON. For example, your own key personnel—how much are you paying your key personnel and executive time comparable to that \$75,000 figure?

Mr. STALFORTH. We would have to set that up. Our executives spend their time there and we have operating managers there that operate on a nonreimbursable basis, and so forth.

Mr. FULTON. Would you expect that your executives would receive \$25,000, or a higher amount, on the San Juan job for the time?

Mr. ELDERKIN. In the course of the contract, in excess of that.

Mr. FULTON. In excess of that?

Mr. ELDERKIN. Yes, sir.

Mr. FULTON. And you tell me that to date your interest figure you would estimate around \$9,000—8 to 10, you told me?

Mr. ELDERKIN. Eight to ten, but that hasn't stopped yet.

Mr. FULTON. No; it hasn't stopped yet, but roughly a good portion of the time has passed on that contract. Now, that bears a much smaller relation or ratio to the interest charge, to the total interest fee of \$34,000, than it does to Fort Meade. Would the same thing be true of your executive time, that your executives are spending or did spend a much smaller portion of their time on San Juan?

Mr. STALFORTH. A lot less time over that same period of time, but in the aggregate they would probably spend more time at San Juan than Fort Meade.

Mr. AMBERG.² Has it appeared what the estimated cost of the San Juan job was?

Mr. STALFORTH. It was estimated to be about 8½ million.

Mr. FULTON. Is it expected to exceed that?

Mr. STALFORTH. Oh, yes.

Mr. FULTON. By how much?

¹ Not submitted for the record.

² Julius H. Amberg special assistant to the Secretary of War.

Mr. STALFORD. I don't know the exact figures. It would probably be twice as much.

The CHAIRMAN. Would it run in proportion to the camp?

Mr. ELDERKIN. Not on the original contract.

Mr. FULTON. How much of the total of the San Juan job did you carry into your figures for 1940? That is, the total money, estimated?

Mr. ELDERKIN. About \$4,700,000—the sum of completed work to the end of the year. That was our half of it.

Mr. FULTON. Then approximately your business for 1940, divided into three parts which were roughly equal, one being the private work, one being the Fort Meade work that you did before January 1, and the other being the San Juan work that you did before January 1.

Mr. ELDERKIN. It wasn't divided into three parts. Our business is run as a whole.

Mr. FULTON. But I mean they are roughly equivalent parts as a gross total amount of dollars.

Mr. ELDERKIN. We couldn't apply just nonreimbursable items to these two Government contracts and throw the rest of our overhead out of the window.

Mr. FULTON. I am not talking about overhead. I am talking about the fact that the work you did roughly falls into three fairly equal categories, private work, Fort Meade, and San Juan work.

Mr. ELDERKIN. Practically that; yes, sir.

Mr. FULTON. And then for about one-third of the dollar volume of the work that you did in 1940 on Fort Meade you had an excess over nonreimbursable expenses of about \$200,000.

Mr. ELDERKIN. Mr. Fulton—

Mr. FULTON. Isn't that your arithmetic?

Mr. ELDERKIN. It is not my arithmetic. I cannot go into that the way you do. There is only one way we can handle our business. We have a total overhead for all of our work, which is prorated according to the volume we do.

Mr. FULTON. I haven't asked you any questions whatever as to how you handle your business or your overhead. I ask you if, according to your figures, the excess of the fee on the Fort Meade job was over and above every expense which you weren't reimbursed by the Government for wasn't \$200,000.

Mr. STALFORD. For your purposes; yes.

Mr. FULTON. And that includes all overhead which has any relation to this particular job.

Mr. ELDERKIN. No, sir.

Mr. FULTON. All right; now what expense did you incur for which the Government did not reimburse you that you would not have incurred if you didn't have the Fort Meade project?

Mr. ELDERKIN. Mr. Fulton, the contract states that no central office overhead is reimbursable under the contract.

Mr. FULTON. That wasn't my question. My question was, What expense, other than the \$75,000 that you have estimated, did you incur by reason of the Fort Meade project which you wouldn't have incurred if you didn't have the Fort Meade project?

Mr. ELDERKIN. Well, only the proportion of those out of our organization that, for instance—the messenger, the phone service, telegraph service in connection with it, stationery, stenographers.

Mr. FULTON. You have already estimated that in the \$75,000.

Mr. ELDERKIN. Oh, no; I haven't.

Mr. FULTON. How much did you pay the messenger, for example? Let's see what these items amount to. How much were this messenger's services, an expense to you which you would not have had if you didn't have the Fort Meade project?

Mr. ELDERKIN. There is one continually in connection with that job.

Mr. FULTON. At what price per annum?

Mr. ELDERKIN. Fifteen dollars per week plus the automobile for going to and from the camp.

Mr. FULTON. Fifteen dollars per week would be an item of about \$300. What other man did you hire that would go into this?

Mr. ELDERKIN. Mr. Fulton, there are so many intangibles that enter into it that I couldn't tell you now the various small items that made up the whole.

Mr. FULTON. What I am talking about is this. Your estimate of the expense that you had which you wouldn't have had except for Fort Meade was \$75,000, wasn't it?

Mr. ELDERKIN. I think that will cover it. It will be between that and \$100,000.

Mr. FULTON. Now, I added together the net profit which you gave me for 4 years, 1936 through 1939, and then divided it to find an average net profit from other work of \$110,000. Would that be in accordance with your understanding of what your net profit was for the 4 years 1936 to 1939?

Mr. STALFORD. You are talking net now.

Mr. ELDERKIN. I haven't figured it on that basis. We haven't gone into 4 years before in my discussion with you. We were talking about 1940.

Mr. FULTON. Didn't you furnish me figures for 1936, '37, '38, and '39?

Mr. ELDERKIN. Yes, sir.

Mr. FULTON. And don't they run from \$121,000 in 1936 down to \$101,000 in 1939?

Mr. ELDERKIN. Just a second, until I get these copies.

Mr. STALFORD. While he is doing that, I would like to inject something there. In one place you are talking gross figures and in this place here you are talking net.

Mr. FULTON. I am asking what the net profit of your firm was for the 4-year average period.

Mr. STALFORD. After deducting all overhead?

Mr. FULTON. That is right. Your average net profit runs about \$110,000, doesn't it?

Mr. ELDERKIN. You are taking the last 4 years?

Mr. FULTON. I am taking '36 through '39.

Mr. ELDERKIN. You are eliminating '40?

Mr. FULTON. '40 has Fort Meade in it. You can see by looking at them it has to run somewhere around \$110,000.

Mr. ELDERKIN. Except that you haven't taken in the items from our statement that this represents our net profit on completed work, and you have not taken into consideration the credit for jobs not fully completed and accepted. Now, we report on an actually completed contract basis.

Mr. FULTON. That is right. But for 4 years you averaged, on a completed basis, \$110,000 a year profit.

Mr. ELDERKIN. In those figures you have to take the average for the 4 years of the credits on account of work not fully completed and accepted, as additional potential profit.

Mr. FULTON. For 1936 you have what you completed. If you didn't complete it until '37, then you have it in '37, so over a 4-year period you have the work completed, as well as we may estimate it.

Mr. ELDERKIN. There is a carry-over from year to year; yes, sir.

Mr. FULTON. I am taking a 4-year average period. Your profits were \$110,000, on the average, isn't that right, as you yourselves computed it?

Mr. ELDERKIN. If you have arranged it, I will take your figures, but—

Mr. FULTON. I mean, wouldn't that be your comparison of the average?

Mr. ELDERKIN. No, indeed.

Mr. FULTON. Suppose you add the figures together and see if you can get any other figure than \$110,000 average.

Mr. STALFORT. That is net profit, if that is what you are after, after deducting overhead.

Mr. FULTON. Now with respect to this Fort Meade project, if you had not taken the Fort Meade job, do you believe that you could have obtained other work from nongovernmental sources from which you would have made profit?

Mr. STALFORT. Undoubtedly, sir.

Mr. FULTON. I note you did obtain private work in 1940 that was in excess of the amount that you had had in either 1938 or 1939.

Mr. STALFORT. That is natural.

Mr. FULTON. And you think you could have done even more?

Mr. STALFORT. I think so; yes, sir.

Mr. FULTON. How much do you think you would have earned on that private work over and above the nonreimbursable expenses?

Mr. STALFORT. Well, Mr. Fulton, you are talking about how much we would earn. Frankly, as I told you before, a great portion of our business is on a cost-plus basis; usually it is on a cost-plus-10-percent basis. We very seldom have taken work under 10 percent.

Mr. FULTON. I asked how much you thought you could have earned over and above the nonreimbursable expense.

Mr. STALFORT. That is something that is indeterminable.

Mr. FULTON. But it would have been something. And you did in fact, by reason of the Government work, decline jobs?

Mr. STALFORT. We had to curtail. We declined; we didn't bid on a lot of work. We curtailed our normal business to be able to more economically and efficiently handle the immediate work.

Mr. FULTON. I understood you to give Senator Truman a figure of several million dollars that might have been saved had the camp been built more slowly, instead of being built in 90 or 100 days to accommodate as large a number of troops more as came. In addition, if you had been able to purchase lumber, or if the Government had purchased lumber, at \$30 a thousand instead of the average figure that prevailed, I believe you would have saved about \$400,000.

Mr. STALFORT. About \$500,000, if you could have bought it for \$30.

Mr. FULTON. It was \$30 when the Government started building, and it went up to \$40 before the Government began to buy lumber itself in large quantities, and I understand from General Somervell it went back down to \$30 again, so, assuming that the Government had bought it in the first place at \$30 instead of \$40, there would have been a saving of about half a million dollars.

Mr. STALFORT. Yes, sir.

Mr. FULTON. Are you able to tell what any one building on the project cost, or was there no system of cost accounting?

Mr. STALFORT. There was no system of cost accounting of that kind. It was impossible. It would have taken a terrific crew of men to try to keep the cost of each individual building. They were mixed up into barracks and mess halls and one thing or another, and there was no attempt made to keep the cost of individual buildings.

Mr. FULTON. Was that true even to the extent of not even having one test building, where they would keep the cost in order to see how it was running?

Mr. STALFORT. I think there was a test cost kept on a barracks building.

Mr. FULTON. Had you been able to operate earlier in the year, and with lesser priority schedules, would this figure of \$1,800,000 for overtime have been necessary?

Mr. STALFORT. If we had been permitted to have more time we could have worked on a 5-day-week basis, and naturally we would have had no overtime.

Mr. FULTON. That is, if you could have started earlier in the year, and not had such early completion dates, in other words more time on each end?

Mr. STALFORT. Yes, sir.

Mr. FULTON. You could have avoided the overtime figure?

Mr. STALFORT. Yes, sir. Frankly, we are on record to that effect, sir, that we requested an extension of time or permission to work overtime, one or the other. We could not do the work within the time scheduled unless we did work overtime.

Mr. FULTON. Now, with respect to the total labor cost, which I think you said was about twelve and a half million dollars, had the work been organized so that you could go from step to step, instead of having to abandon plans and go to other parts of the site to do work that you were directed to do from time to time by supplemental orders, would you have been able to have saved a part of that expense?

Mr. STALFORT. You are going to ask me how much I could have saved on that. I can't tell you. It would have been a very sizeable saving.

Mr. FULTON. And if you had been able to organize your work in such a way that you would not have had to use gangs of unskilled workers, who really were not finished carpenters and other tradesmen, would there likewise have been a saving by reason of the efficiency of the labor?

Mr. STALFORT. I don't know what you mean by "finished carpenters." We didn't need many finished carpenters. As a matter of fact we didn't have to have any finished carpenters. All we wanted was a qualified rough carpenter.

Mr. FULTON. But a rough carpenter who might not be a skilled craftsman might be a more speedy man by reason of his practice at his trade, and would there have been a saving by reason of having a man who had practiced rough carpentry for a longer period of time?

Mr. STALFORD. If we hadn't had to employ 8,000 carpenters in order to get through, naturally we could have been more selective and careful.

Mr. FULTON. And those factors, in fairness to you, have to be taken into consideration in determining cost.

Mr. STALFORD. Yes, sir.

Mr. FULTON. Similarly, would a better construction site have been of tremendous assistance?

Mr. STALFORD. When you put it that way, I would say undoubtedly yes. Our standard plans are based on a level site to start with. We had anything but a level site.

Mr. FULTON. The same thing would have applied to the \$2,600,000 utilities cost?

Mr. STALFORD. Yes, sir. That applied more. The increased cost on that applied to three things; first, the time element within which it had to be done; secondly, the weather conditions, for as I said yesterday that type of work is usually discontinued and stopped during that period of the year; and thirdly, the priority for the hospital. It made us develop and install the entire sewer and water system, clean up to the upper end of the camp, by the time that the troops arrived. Otherwise we could have avoided finishing the utilities that far, and just finished them as we went along in proper sequence, but the hospital being built at the far end forced us to install all of the utilities. I say utilities; I mean water and sewer, which were installed from November 8 to the latter part of February, which was a colossal job for any man.

Mr. FULTON. So that taking all those factors into consideration, while you are not able to give us an estimate because it is humanly not possible with the facts as they have developed, you can definitely say that a number of millions of dollars would have been saved or could have been saved by that method.

Mr. STALFORD. That is true, undoubtedly.

Mr. Cox. Mr. Fulton, in order to clarify the record of yesterday, Senator Brewster asked about the number of carpenters who were hired at Camp Meade, the gross number.¹ That was 11,000.

The CHAIRMAN. Instead of 14,000?

Mr. Cox. Instead of 14,000.

Mr. FULTON. So it would be around \$650,000 if they all paid \$57.50 each.

Mr. Cox. We have no knowledge of that; sir. We have no idea of how many carpenters paid initiation fees.

Mr. STALFORD. We have no idea of how many actually joined. We don't know that.

The CHAIRMAN. That is all, gentlemen.

(The witnesses, Messrs. Stalford, Cox, Elderkin, and Berger, were excused.)

¹ Supra, p. 501.

TESTIMONY OF MAJ. JAMES NOXON, CONSTRUCTION QUARTERMASTER, FORT MEADE, MD.

Mr. FULTON. Major Noxon, I understand you were the Quartermaster in charge of the construction at Fort Meade.

Major NOXON. That is right.

Mr. FULTON. Are you an engineer by profession?

Major NOXON. I am a graduate civil engineer, yes, sir.

Mr. FULTON. And would you tell us, briefly, what your experience has been prior to this job?

Major NOXON. I have had about 15-18 years of active construction experience with two of the largest contracting firms in the country. I served as a first lieutenant in the construction division of the Quartermaster Corps in the last war for a time in the construction of Camp Jackson, South Carolina.

Mr. FULTON. Had you managed any jobs of comparable size of Fort Meade, or approaching it in any way?

Major NOXON. No such sum of money; no, sir.

Mr. FULTON. What would be the largest construction jobs, say the two largest, that you had ever handled?

Major NOXON. I never served as manager on construction. I had charge of certain features covering several jobs; in fact all of the work of a large construction company.

Mr. FULTON. What were the two largest jobs in which you had an important post?

Major NOXON. I would say during my service with the George A. Fuller Company, in New York, I was connected with the Philadelphia Art Museum, for example.

Mr. FULTON. And what was your function there?

Major NOXON. Superintendent of equipment.

Mr. FULTON. And what was the other largest project?

Major NOXON. Oh, they built probably 50 to 100 buildings during the time that I was with them, all of them running from three to five or six million dollars, a great many office buildings in New York City, for example.

Mr. FULTON. And was your work for them, superintendent of equipment on these various projects?

Major NOXON. Superintendent of equipment on each one of them.

ACTIVITIES OF CONSTRUCTION QUARTERMASTER AT FORT MEADE

Mr. FULTON. When did you first know that you were to take charge at Fort Meade?

Major NOXON. September 26th, I would say. It may be one day one way or the other.

Mr. FULTON. So that you were not sent there in advance to get experience in the particular situation that would be involved if you did let a contract?

Major NOXON. No.

Mr. FULTON. What information was turned over to you at that time with respect to the nature of the work to be done and the particular problems that would exist at Fort Meade?

Major NOXON. I was given for distribution to the contractor and to the architect-engineer on or about October 1 a listing of the structures

to be built for each unit and a gross table of the total number of structures which would be built.

Mr. FULTON. What information were you given about Fort Meade?

Major NOXON. Just that.

Mr. FULTON. Just that? I mean, there was no survey of the site and no report by engineers as to the problems that would be encountered at Fort Meade if they were constructed on this, that, or the other site?

Major NOXON. We had; at the beginning of the project there was handed to me, I would say, a topographical map of the cantonment area, that is, the entire property there, the post.

Mr. FULTON. And on what contour was that?

Major NOXON. Oh——

Mr. FULTON. Five, ten, twenty feet?

Major NOXON. I would say 5 or 10.

The CHAIRMAN. Was that the same map I was looking at with General Parsons yesterday?¹

Major NOXON. No; it was a large blue map on which was shown the World War cantonment.

Mr. FULTON. That was one that had been prepared, I presume, at the time of the World War survey.

Major NOXON. There had been a map prepared which was handed to us subsequently, what we call the Fort Meade grid map, which I have seen copies of on your desk, reproductions of it.

Mr. FULTON. And aside from that, were you given any information or reports on Fort Meade and its particular problems?

Major NOXON. Not at that time.

Mr. FULTON. This was in October?

Major NOXON. Yes, sir; about the 1st of October.

Mr. FULTON. And when did you receive any further information on Fort Meade?

Major NOXON. We later received reports which were prepared by the construction quartermaster and his staff for the original cantonment. They were a part of the, well, you might say, library maintained at the fort.

Mr. FULTON. That was the original 1917-18 cantonment?

Major NOXON. That is right.

Mr. FULTON. And when did you receive those?

Major NOXON. I should say probably November 1.

The CHAIRMAN. You were at work at that time, when you received those?

Major NOXON. Yes, sir. These reports were of little or no value to us in the——

The CHAIRMAN. In other words, they didn't mean anything after you got them?

Major NOXON. It was interesting, Senator. For example, there was a very extensive water report telling how they tried to drill wells and secure water by that method, and its only practical value to us was the fact that it told us there was no use of drilling for water, for example.

Mr. FULTON. Did you have a report on water conditions at the time you came there?

Major NOXON. No, sir; the Greiner Co. prepared such a report.

¹ Referring to Exhibit No. 45.

Mr. FULTON. The Army didn't have a report on the engineering difficulties with respect to the water system?

Major NOXON. Only this report that I speak of, so far as I know.

Mr. FULTON. And that you didn't get until November?

Major NOXON. It probably, Mr. Fulton, would have been available to us on the day we arrived. In fact, it was, as I say, part of the post library, but we did not know about them at the first.

Mr. FULTON. Was there any quartermaster at the post who had had any engineering or construction experience, who was available for consultation with you from the beginning, and who had been studying problems with a view to being helpful to you?

Major NOXON. We did get a great deal of assistance from a civilian employee, who had been on the post practically since the war.

Mr. FULTON. And was he an engineer?

Major NOXON. He—I do not believe he is a graduate engineer but he was a very practical man and knew his business.

Mr. FULTON. And he was a civilian who was employed in what capacity by the Army?

Major NOXON. Operator.

Mr. FULTON. Of what?

Major NOXON. Well, of sewers and water utilities. He knew every pipe in the cantonment.

Mr. FULTON. And he was of great assistance?

Major NOXON. Indeed he was; yes, sir.

Mr. FULTON. Now you heard the testimony of Mr. Roberts and Mr. Stalfort with respect to, say, the mud conditions at the site that was chosen for the hospital and for the enlargement of the camp up the Annapolis Road there and adjacent to the hospital. Do you have any difference, then, as to the existence of mud and difficult transportation problems on that site?

Major NOXON. I am thoroughly in accord with what they said.

Mr. FULTON. And did you recommend at the time that the site was being determined upon, that the recommendations of the Greiner Co. be followed from a cost standpoint? In other words, did you agree with the Greiner Co.'s recommendations as to the proposed location of the site of these buildings, or did you disagree with them?

Major NOXON. I agreed with them thoroughly from an engineering standpoint.

Mr. FULTON. That was the only standpoint you were to consider, was it not, as a quartermaster construction man?

Major NOXON. Oh, no. I naturally had to consider costs.

Mr. FULTON. Didn't you agree with them from a cost standpoint?

Major NOXON. As to added expense of putting the hospital there, yes, sir.

Mr. FULTON. Did you recommend that to your superior in Washington?

Major NOXON. I did not, except indirectly.

Mr. FULTON. What I am at was, did you inform them of the difference of opinion that existed as to the location of the site?

Major NOXON. The office of the Quartermaster General was informed verbally; yes, sir.

Mr. FULTON. And that would be your immediate superior?

Major NOXON. Yes, sir.

Mr. FULTON. And did you state the position that General Parsons was taking with respect to the location?

Major NOXON. That it was explained to them; yes, sir.

Mr. FULTON. And the position which the Greiner Co. took and the reasons they took it?

Major NOXON. Yes, sir.

Mr. FULTON. And your agreement with them from a cost standpoint?

Major NOXON. Yes, sir; and an engineering standpoint, I might add.

Mr. FULTON. Of course you were not passing on the military standpoint. Now that would also apply, I suppose, as to roads, sewers, sandy soil instead of clay, and more level ground, and all the other factors that the Greiner Co. mentioned through Mr. Roberts.

Major NOXON. Yes, sir.

Mr. FULTON. Do you have any photographs of the working conditions that were experienced on this site that was ultimately selected by General Parsons?

Major NOXON. Yes, sir.

Mr. FULTON. I ask you if you would go over those and pick out for them some of those that would indicate the condition of tractors and otherwise, pulling sleds?

Major NOXON. There are at least one or two there actually showing the 60-caterpillar tractor pulling the sled.

The CHAIRMAN. Is this mudhole I am looking at here supposed to be a road?

Major NOXON. That is a fire road, Senator, in the hospital area.

The CHAIRMAN. This sea of mud here is supposed to be one of the main highways through the camp?

Major NOXON. Let me look at that, Senator. I want to identify it more thoroughly; the description is on the back. That is another fire road in the hospital area prior to completion, of course, of the drainage.

The CHAIRMAN. Most of this mud condition is in the hospital area, isn't it?

Major NOXON. Yes, sir.

Mr. FULTON. You have one picture here entitled "Hospital area showing shovel excavating mud in corduroy construction road." It looks as though the corduroy road, which as I understand is to lay down logs in the mud, was completely unusable; in fact, has to be shoveled out and put over to the side?

Major NOXON. No; that picture, photograph, is taken after the initial construction was over. The shovel is removing the corduroy road. Those logs that you see are what were laid down.

Senator BREWSTER. This one here is labeled "Typical condition of hospital area," showing construction road pushed aside to make way for the service road. Was that done before the construction was completed?

Major NOXON. This timber in the back is timber which was a corduroy road; that has been removed by a bulldog and shoved up into a pile, and later, of course, removed.

Senator BREWSTER. I asked if that was done before the construction was completed.

Major NOXON. Whether it had this condition, piled up? No; the buildings had all been completed by that time.

Senator BREWSTER. Then you were getting ready to make your permanent road?

Major NOXON. Yes, sir.

Senator BREWSTER. Which didn't affect the construction?

Major NOXON. No, sir; except we had to have those in there before we could do much on the construction; that was a temporary road.

Mr. FULTON. You heard the testimony with respect to supplements to the work and to priority orders?

Major NOXON. Yes, sir.

Mr. FULTON. Do you agree that the number of supplements changes the building plans, together with changes in priorities as to completion dates, materially increased the cost of the project, or do you disagree with Mr. Roberts?¹

Major NOXON. May I have that again? I think——

Mr. FULTON. I asked if you agree that the changes in the building plans and the new priorities dates that were established from time to time resulted in dislocation of plans that had already been made, and in increases of cost due to overtime and various other factors?

Major NOXON. Yes; I do.

Mr. FULTON. How many buildings were built in the total camp?

Major NOXON. One thousand one hundred and fifty-four.

Mr. FULTON. How many were planned before October 1? I mean, how many did they have in mind at the time of the original estimate?

Major NOXON. Roughly, 1,000, Mr. Fulton.

Mr. FULTON. They added about 15 percent more buildings?

Major NOXON. About 150; yes, sir.

Senator WALLGREN. Let's break that down a little bit. One thousand, one hundred and fifty-four buildings. What does that take in, everything in the nature of a building, regardless of how small or how large?

Major NOXON. That takes in everything.

Senator WALLGREN. How many cantonment buildings, do you know?

Major NOXON. Well, they are all cantonment buildings.

Senator WALLGREN. I mean barracks.

Major NOXON. There were 380 barracks constructed.

Senator WALLGREN. Mess halls?

Major NOXON. I have not that list with me. I could only give you an approximation, Senator, on the number of mess halls.

Senator WALLGREN. We will get to that later, I guess.

The CHAIRMAN. Major, do you agree that with an expenditure of \$2,000,000 on barracks the capacity of the camp could be expanded to 33,000 men? Its capacity now is supposed to be 25,000.

Major NOXON. Possibly I could amplify that a little bit more than was done. The set-up was 2 barracks and 1 mess hall per company; two 63-men barracks would give us 126 men per company. The mess hall, which fed those men, was of a capacity of 170 men. We left a space for an additional barrack for future construction. By constructing that third barrack the company could be increased in number to 3 times 63, or 189. The mess hall would not need to be changed to feed the men who would be housed in that extra barrack, see, and that would give one-third more capacity.

¹ See testimony of W. C. Roberts, project engineer, Fort Meade, supra, p. 453 et seq.

The CHAIRMAN. And the recreation and hospital facilities are already constructed to take care of it?

Major NOXON. Of one-third more. A 1,000-bed actually built on a 1,500-bed plan, and space has been left for each one of those buildings, which could be thrown in in a hurry.

Senator BALL. How many more barracks were built with this \$2,000,000?

Major NOXON. I do not want to corroborate that \$2,000,000, nor do I say that it is wrong, but we built 380 barracks and there is space left for one-third of that or 126.

Mr. FULTON. You could build 126 \$15,000 barracks for \$2,000,000.

Major NOXON. Then that is adequate. I haven't figured that out.

Mr. FULTON. And \$15,000 is about the figure estimated that a barrack costs, isn't it? At least, that is the figure General Somervell gave us.

Major NOXON. That is about it.

Senator BALL. Have you made any break-down or kept any accurate cost figures on one of those barracks, so you would know how much they cost?

Major NOXON. As Mr. Stalford said, there were some figures made by his cost engineers. I didn't like them because they were not typical. In the first place, there was some overtime. They were built under—

Senator BALL (interposing). They seem to have been fairly typical.

Major NOXON. They were built under winter conditions and it was very hard, with the amount of men we had there, to actually segregate a certain number of men in a certain building and get the actual dollars and cents cost on one particular building, so that I rather discounted the figures that we got.

Senator BALL. What total did he arrive at?

Major NOXON. Might I have that folder that I handed you those photographs on? It had some figures on it. I can supply those to you, Senator. I do not have them with me, but it is, to the best of my recollection, between fourteen and fifteen thousand dollars.

The CHAIRMAN. Colonel Groves.

TESTIMONY OF COL. LESLIE R. GROVES, QUARTERMASTER CORPS, UNITED STATES ARMY

OBSERVATIONS AT FORT MEADE OF INSPECTING AIDE TO THE QUARTER- MASTER GENERAL

The CHAIRMAN. Colonel Groves, you will state for the record your rank and Army connections, both now and in the past.

Colonel GROVES. I am a colonel, temporary colonel, in the Quartermaster Corps, with the date of promotion dating from November 13. Prior to that time I was a major in the Corps of Engineers, on duty in the Quartermaster General's office as a personal assistant to the Quartermaster General, General Gregory. At that time my duty was to inspect for him the progress of construction work in the field and to bring back to him a picture of just what he would have carried away if he had been able to go.

Naturally he could not go to all of these points. On November 14 I was made chief of the then fixed-fee branch of the Construction Division, which later, after General Somervell took charge of the

Construction Division, became the operations branch, and included all of the operations in the field.

The CHAIRMAN. Have you ever been on the General Staff?

Colonel GROVES. Yes, sir. I was on the General Staff before I came to General Gregory's office.

The CHAIRMAN. In what capacity?

Colonel GROVES. I was in the G-3 Division, in the Mobilization Branch.

The CHAIRMAN. That is the Plans Division of the General Staff?

Colonel GROVES. The Mobilization Section of the Operations and Training.

The CHAIRMAN. And did you ever have any other connection with General Staff?

Colonel GROVES. No, sir.

Mr. FULTON. As I understood Colonel Chamberlin, speaking on behalf of the General Staff, G-4, the responsibility for the location of buildings on a site would be largely in the Quartermaster General's Corps with the duty, however, of consulting with the corps area commander.¹ Do you agree with that statement of his?

Colonel GROVES. No; I do not agree with it. The lay-out, the general lay-out was the subject for joint approval by the corps area commander and the local constructing quartermaster.

Mr. FULTON. So both had to approve before the site could finally be determined?

Colonel GROVES. That is correct.

Mr. FULTON. And in the event of a disapproval, which would prevail, if either, or would you have to go to the General Staff?

Colonel GROVES. That was decentralized to the field and in the event of disagreement, why naturally it would have to come to Washington for decision.

The CHAIRMAN. General Parsons yesterday made the statement he was absolutely responsible for the location of those buildings in the area in which they are now located.² Was the fact that General Parsons and the Quartermaster General or quartermaster were not in agreement on the location of these buildings ever brought to the attention of the quartermaster?

Colonel GROVES. Not that I know of personally.

The CHAIRMAN. Don't you think that should have been done, Colonel Groves?

Colonel GROVES. I believe it should have been.

The CHAIRMAN. Whose responsibility was that?

Colonel GROVES. I should say it was the responsibility of the man who was being overruled, who was not having his own way, in this instance the local constructing quartermaster.

The CHAIRMAN. Who was his superior in Washington, his immediate superior?

Colonel GROVES. I am not positive, but I imagine that it would have been, his ultimate superior would have been, General Hartman, and below that as it was set up at that time I imagine the head of the Fixed Fee Branch, who was Mr. Loving.

The CHAIRMAN. Now in your capacity as coordinator between the Quartermaster General and the work on the ground, didn't you know of that disagreement?

¹ See Hearings, Part 1, p. 231.

² Supra, p. 476.

Colonel GROVES. My capacity was not that of coordinator.

The CHAIRMAN. Just what was your capacity?

Colonel GROVES. My capacity was to inspect in the field, spending not over a day at a camp, and seeing just what the Quartermaster General would have seen if he had been there. If there was anything at variance with what I felt was proper I reported that back to General Gregory, with my recommendations.

The CHAIRMAN. Did you know about this row between Parsons and—

Colonel GROVES. At the time I inspected Camp Meade, my report indicated it was on the fifth of October, the hospital was not located in the present location. It was located adjacent to the existing airfield.

The CHAIRMAN. That is in the location which we were discussing yesterday with General Parsons, right west or north?

Colonel GROVES. West of it.

The CHAIRMAN. The present post?

Colonel GROVES. Of the existing airfield.

The CHAIRMAN. It is north, I believe, of the permanent post?

Colonel GROVES. North of the permanent post and just west of the existing runway.

The CHAIRMAN. That was in the area where the roads and part of the sewers were already in?

Colonel GROVES. Yes, sir, in the more flat area, and at that time the tank and antitank battalions were also located just slightly to the north of the airfield.

The CHAIRMAN. Well, you approved that location at that time?

Colonel GROVES. I did not object to that location. I had no power of approval. I could give advice to the local constructing quartermaster and to the engineers, expressing the views of the Quartermaster General as advice only.

The CHAIRMAN. But if you stated the case to the Quartermaster General and he made a ruling on it, his ruling would be final, would it not?

Colonel GROVES. Yes, sir.

The CHAIRMAN. Was that situation ever brought to the attention of the Quartermaster General after the hospital was moved into this other area?

Colonel GROVES. Not as far as I know. I have no record of that, but the next time I visited Meade was on December 16, just after General Somervell took charge, and at that time the hospital had already been started in its present location.

The CHAIRMAN. Why do you think that hospital was moved into this other area? What is your opinion on it?

Colonel GROVES. As to why it was moved?

The CHAIRMAN. Yes.

Colonel GROVES. I can make many surmises, but I don't know why it was moved.

The CHAIRMAN. Was it moved to save the golf course?

Colonel GROVES. I really don't know. I am not a golfer and I wouldn't hesitate at all put it right in the center of the golf course.

The CHAIRMAN. The General told us yesterday that he had laid out the golf course and was very proud of it, and they had recommended that the post itself, the permanent post, be located in the area where he had placed this hospital. The inference was that the

hospital in all probability was placed there in order to save the golf course, if it cost the Government \$1,000,000. I just want to know if that is your opinion.

Colonel GROVES. I have no opinion on that, sir, and I would like to add that one of the principal things that I was looking at in these camps was to be sure there had been no overlooking of the training needs of the troops. In other words, that we would not have a camp built for economy of construction at the cost of the usefulness of the camp.

The CHAIRMAN. But that area at Camp Meade had already been destroyed due to the fact that the permanent post was located right in the center of the Government reservation, isn't that true, instead of at either edge?

Colonel GROVES. It has been destroyed as far as—it was not as desirable as it should have been. The most desirable location is undoubtedly right in the corner of a reservation.

The CHAIRMAN. That is for tactical purposes?

Colonel GROVES. Not only for tactical but for what is even more important, the daily training of the troops, in which the troops go out from their barracks in the morning and return that night, and you don't have your infantry and other foot soldiers spending all of their time walking to and from the training grounds. It is a factor that is best appreciated, I think by those of us who spent many years as company commanders.

The CHAIRMAN. But that situation had already been taken care of by the location of the permanent post on this area where the hospital could very readily have been located at a cost of \$1,000,000 less to the Government, isn't that true? The location of the hospital at the point where it was first located, as you made your first visit, would not have in any way interfered with the training of the troops, any more than the location of the permanent post there has already done, would it?

Colonel GROVES. It would have interfered. It would have interfered primarily with the airfield. Now as it was laid out at that time it would have been immediately adjacent to the runway set in the corner, and there was, of course, the sentiment that we must have an airfield on every possible station, and that would have interfered.

The CHAIRMAN. You approved that first location on your first trip, though, didn't you?

Colonel GROVES. Yes, sir, the location of the hospital at the point that it was at when I was there, which was adjacent to the airfield, was in my opinion entirely satisfactory.

The CHAIRMAN. That is all I want to know.

Senator WALLGREN. How much of an airfield is that? What is the length of the runway?

Colonel GROVES. The length of the one runway that is in existence, as I recall, is just about the minimum to take a slow-flying ship, of the observation type. I would not like to land on it in any ship.

Senator WALLGREN. That is just one runway?

Colonel GROVES. Yes, sir. It has one runway and it is at least 1,000 feet short for the passengers' comfort.

The CHAIRMAN. Actually and truly very few of the modern planes could be landed on that runway, isn't that true?

Colonel GROVES. Speaking as someone who knows nothing about it, that is correct, sir.

Senator WALLGREN. You have an Army camp without an airfield and without an artillery range, and what have you got over there?

Colonel GROVES. We have space to house the troops.

The CHAIRMAN. And you are going to have to take them somewhere else when you actually go to train them. Proceed.

Mr. FULTON. With respect to this question, as I understood it, then you were not the superior officer to whom Major Noxon would report the disagreement between the Greiner Co. and General Parsons.

Colonel GROVES. That is correct, I was not.

Mr. FULTON. Now you say that officer would be Mr. Loving?

Colonel GROVES. I imagine so, but I think that Major Noxon could tell you better than I could on that.

Mr. FULTON. Major Noxon, who would be your immediate superior to whom you report that kind of thing, and to whom did you report it?

Major NOXON. The supervising construction quartermaster.

Mr. FULTON. And who was that?

Major NOXON. I think that was Mr. H. G. Wray, at the time.

Mr. FULTON. Did you report it to Mr. Wray?

Major NOXON. I talked to him several times over the telephone about the matter. He was thoroughly conversant with the negotiations which were under way with General Parsons.

Mr. FULTON. Did you report it to Colonel Groves or to Mr. Loving?

Major NOXON. When Colonel Groves made his visit on October 5 he was apprised of the entire matter. He knew all about where the General wanted that hospital placed.

Mr. FULTON. And how about Mr. Loving?

Major NOXON. I do not know about Mr. Loving, whether he was ever informed or not.

Mr. FULTON. And would you ordinarily report to Mr. Loving on matters, or is that an unusual thing?

Major NOXON. I would report to Mr. Wray.

Mr. FULTON. Mr. Wray?

Major NOXON. Yes, sir.

Mr. FULTON. As I understand it, Colonel Groves, you did not bring it to the attention of the Quartermaster General that there was at least a dispute there, because you understood that it would be handled otherwise, is that right?

Colonel GROVES. That is correct. I advised Major Noxon to take up with General Parsons the desirability of certain elements of the lay-out and at that time, as I say, this was the lay-out with which I was dealing.

Mr. FULTON. But as you recognized it, the Quartermaster General's Corps has at least concurrent responsibility with General Parsons so that someone from your corps would have to determine ultimately whether you would agree or disagree with General Parsons?

Colonel GROVES. That is correct. The local constructing quartermaster.

Mr. FULTON. That would be Major Noxon?

Colonel GROVES. Yes, sir.

Mr. FULTON. And you don't consider that any part of the function that you had?

Colonel GROVES. At that time my function did not include that. If the hospital had already been in an undesirable location I would have reported that to General Gregory. If there had been at that time—if I had felt at that time that there was going to be a disagreement between the constructing quartermaster and the corps area commander I would have advised Major Noxon as to what was the best course for him to pursue.

Mr. FULTON. You knew, of course, that unless the corps area commander acceded to the view which both you and Major Noxon had, there would have to be a disagreement?

Colonel GROVES. No, sir; not at that time, because at that time I had no knowledge that General Parsons was going to tell them where all these buildings were to be placed.

Mr. FULTON. But it came down to the point where either General Parsons would agree with the quartermaster or there would have to be a disagreement, because all of the Quartermaster Corps was in agreement with the Greiner Co. that from a construction and engineering standpoint it was better to locate it on the old World War site?

Colonel GROVES. Are you referring to the whole camp?

Mr. FULTON. To the location of the hospital for one, and to the camp in general for the other, if there is a distinction in your mind.

Colonel GROVES. No; that is not correct, what you have stated. The hospital at that time was, as far as I was concerned, located adjacent to the airfield. Things moved very rapidly then, as they did throughout this whole program. On October 5, when I was there, there were certain—this lay-out was the initial lay-out. It had not yet received the approval of General Parsons. It has not yet received any disapproval from General Parsons.

Mr. FULTON. But I understand you were informed that his position, so far as he had taken one then, was that he was in disagreement to that location?

Colonel GROVES. No; that is not correct. I was not informed, as far as I can recall, of such a disagreement; and, judging from an examination of the records that I made—which were very brief reports to General Gregory—that was not brought to my attention at that time. In fact, his disagreement with this lay-out did not appear apparently until 2 days later; somewhere I have seen where on October 7 he disapproved this initial lay-out.

Mr. FULTON. That was after he took the horseback ride he referred to yesterday, at 6 o'clock in the morning?

Colonel GROVES. I wasn't privileged to hear him testify yesterday.

Mr. FULTON. He said he got up at 6 in the morning and took a horseback ride and looked over the area. I wonder whether you checked that in any way with the date?

Colonel GROVES. No; I have somewhere a diary of just when these things happened, including the date of my visit to Meade, which I knew was October 5, and then a diary of Meade showed that this lay-out was disapproved, I believe, on the 7th. At the time that I was there this was the lay-out that was under consideration and, as far as I was concerned, it was satisfactory, excepting for certain suggestions which I made to Major Noxon and advised him to discuss

with the corps area commander as to the advisability from a training standpoint of moving the troops.

Mr. FULTON. And when did you first hear that they had decided not to locate the hospital in the area that was satisfactory to you?

Colonel GROVES. I don't have the least idea; but I am sure that, judging from where I was during that time, that it must have been somewhere in December.

Mr. FULTON. So that as far as you were concerned, it wasn't part of your function in the first place, and you didn't hear of it in the second; is that right?

Colonel GROVES. I didn't hear of it. It was not part of my function, other than to visit the camp at that time and make my report as to its condition then, and the past and present possibilities insofar as it referred to that camp.

Mr. FULTON. Would you agree with Major Noxon that his immediate superior would be the supervising constructing quartermaster at that time, Mr. Ray?

Colonel GROVES. I believe that is correct. Whoever it was at that time.

Mr. FULTON. And whoever that was would be the one who would have the responsibility for taking it to the Quartermaster General, and ultimately to the Staff, that the Quartermaster General approved the location?

Colonel GROVES. No; it would be his responsibility for bringing it to the attention of his next superior in the proper manner.

Mr. FULTON. And now with respect to some of these other matters that were referred to. Who had the responsibility for making all these changes and additions, supplements, and priority orders that were made?

Colonel GROVES. The supplements were supplements which came about as a result of developing needs of these troops.

Mr. FULTON. Well, I want to find out what branch would determine that, so we could ask them why they hadn't determined the needs before the 1st of October, because they had a bill in before Congress in June. Now who would be the ones who determined these needs after October from the Quartermaster's standpoint?

Colonel WILSON.¹ I can answer the question there for you, because I have G-4's directions. Just to sum them up here, G-4, the War Department, issued a directive on September 11—this was introduced in the record by Colonel Chamberlin, but I would just like to summarize it again. On September 11 they told the Quartermaster General to construct for one square division.

Mr. FULTON. Prior to that time what had been there? You got this September 11.

Colonel WILSON. Just going back; September 11, 1940, they told them to construct for one square division and one tank battalion. Now the total for that is 19,452, officers and enlisted men. Then subsequently they, on September 16, 1940, added an antitank battalion of 31 officers and 516 enlisted men. On September 27 there were a number of other miscellaneous units that went in there, surgical hospitals, and so forth, amounting to 181 officers and 2,770 enlisted men.

Mr. FULTON. But at that point, Colonel Wilson, we have the contract executed, so I mean we can roughly divide what we had before

¹ Lt. Col. Arthur R., General Staff Corps, United States Army.

from what came after, and at that point they had had from May or June on to determine what should be put at Fort Meade, and they had then made a determination to put roughly twenty or twenty-one thousand men there; is that right?

Colonel WILSON. The total they planned to put there is 25,918 by June 30. There are presently, at the moment, 24,282.

Mr. FULTON. You are talking about the plans they have now; I was talking about what plans they had at the time of the contract, which, adding the figures you gave me, was somewhere around twenty-one to twenty-two thousand.

Colonel WILSON. Up to September 27, which added all that in, it runs about—plus a reception center there of 2,500 men, all those together do add up to 25,918 men.

Mr. FULTON. So then we have the camp planned as of the time of the contract for approximately 25,000 men?

Colonel WILSON. I don't know what time the contract was initiated.

Colonel GROVES. About September 25.

Colonel WILSON. In other words, the camp was planned for about 25,918 men in late September. Now you asked a question on one thing I want to put in here now. This morning you wanted to know what the Twenty-ninth Division amounted to. The War Department figured that the Twenty-ninth Division would come in at 12,203 men—the Twenty-ninth Division alone, 12,203 men. That was figuring their peacetime strength. They had in their various companies and units that many. They actually were inducted with 8,976 men. That difference, you see. In other words, the division came in at 8,976, the Twenty-ninth Division only, and the strength of that Division is 906 officers, 11 warrant officers, and 17,880 men. Now the difference between 8,976 and 17,880 is, of course, made up of selectees, National Guard divisions, built of selectees.

Senator WALLGREN. What does that division consist of, how many regiments of infantry?

Colonel WILSON. Four.

Senator WALLGREN. And three artillery?

Colonel WILSON. Three regiments of artillery and one engineers.

Senator WALLGREN. Medical outfit, Signal Corps. On this construction progress report here you show 23,088 troops to be housed there on April 19, 1941.

Colonel WILSON. That is about right; exactly right.

Senator WALLGREN. What is that supposed—is Camp Meade supposed to be a training camp or just a housing camp?

Colonel WILSON. You can train there on the acreage you have, with the exception of artillery; you can't go into large-scale maneuvers and you cannot have any artillery fire; you have no artillery ranges.

Senator WALLGREN. Also this division includes a tank lay-out; doesn't it?

Colonel WILSON. That is extra; that is a corps outfit. It is not part of the division, if there is a tank unit there, and antitank unit.

Senator WALLGREN. Have they room to train at the camp?

Colonel WILSON. I think so. Your elementary training is not so great for tanks or antitank; you train these men to shoot antitank guns theoretically, and the actual ranges, of course you have to go into maneuver areas.

Senator WALLGREN. Do you think they could fire tank guns at Fort Meade?

Colonel WILSON. 37-mm. guns; you cannot fire 75-mm. guns or 155-mm. guns.

Senator WALLGREN. There is no possibility of any artillery training?

Colonel WILSON. No, sir.

Senator WALLGREN. What did you attempt to do?

Colonel WILSON. What they are doing, buying a maneuver range down in Virginia, or train your artillery to shoot and take them up to Indiantown Gap. You can do that at this particular place because you have truck-drawn artillery and you can move them to Indiantown Gap in Pennsylvania.

Senator WALLGREN. But for thorough training, the troops moving along with tanks and with artillery, you would have to move the whole outfit out of there; wouldn't you?

Colonel WILSON. Certainly. You are talking now of maneuvers. You cannot maneuver on a large scale at Fort Meade. You can train. There is a distinction between training and maneuvers. As a matter of fact when you leave Fort Meade and take your artillery to an artillery range to shoot, that movement of your troops, that march, is part of training. Personally, I think it does them good to move; that is what they are there for.

Mr. FULTON. Colonel Wilson, coming back to that point, which I raised, the committee was interested in the fact that the selective-service law was under consideration from May or June on, and we would have the expectancy that in September at the time of this contract, around the 25th or 26th, that the Army would have known what its plans would be for Fort Meade so that it would have been unnecessary to incur the tremendous expense testified to by the engineer and the contractor, by reason of all these priorities and directives that came subsequently and by reason of the increases in the buildings, that were put in there subsequently.

Colonel WILSON. No; you had no funds to let any contracts.

Mr. FULTON. I wasn't talking about letting of contracts but just the listing of the buildings and all that were to be put there, and a plan as to which building should be built first, so it would be unnecessary to disrupt an economical organization by the contractor or the work that he had at hand.

Colonel WILSON. Well, there were priorities—I don't know what the priorities were in construction, and there were certain troop priorities set up by the commanding general of the Third Corps Area and the commanding general of the Twenty-ninth Division. Now what those priorities were I do not know, but they are going to be here Monday to testify on that.

Mr. FULTON. Colonel Groves, was there a schedule of priorities prepared before this contract was let, so that the contractor could know what buildings he was to prepare first?

Colonel GROVES. Yes, there was a schedule of priority; he was supposed to complete the camp in a certain length of time and he didn't do it, and the result was that the situation changed and we had to give priorities as to what he should do first, and on that basis the first priority established was that he had to provide accommodations for troops that were to come in here to Meade to be housed, so that

they could participate in the inaugural parade. Then later the question of what we could finish on time and we had to go into the providing of what we termed the essential facilities which were the barracks and mess halls for the individual units, and as I say the situation changed from time to time, particularly from a construction viewpoint.

In other words, they couldn't finish. We had to estimate 40 days in advance as to when a camp would be completed, which was housing National Guard troops, in order that the call could be made to those troops, and 40 days in the winter time on the construction of a project of this size that we are trying to do in 3 to 4 months' time is an awful lot of time to anticipate just what is going to happen, and 1 day's extra rain or a day of snow or any particularly cold day would throw the whole business out, and this had to be changed in priorities. This was not normal construction; it was military construction, and the situation changed from day to day, and they just had to have these priorities changed.

The CHAIRMAN. Is it true that General Reckord, commander of the National Guard Twenty-ninth Division, refused to move into certain housing because he would have to move again, and that created the necessity for rushing the building and costing more money at that time?

Colonel GROVES. I think that is something General Reckord can tell you more about. I have heard quite a bit about it, but I haven't got any real personal knowledge that I can give to the committee on it.

Mr. FULTON. Did you have available housing which could have been used?

Colonel GROVES. I couldn't answer that question because I didn't keep detailed figures on this particular camp.

Mr. FULTON. Well, who in the Washington office would?

Colonel GROVES. That should not have been kept in the Washington office. That was known to both Major Noxon and to the zone constructing quartermaster at that time.

Mr. FULTON. And Washington wouldn't have a list of how much housing was available?

Colonel GROVES. Nothing excepting what they might have in their records as having been forwarded from the field.

Mr. FULTON. Wouldn't you make arrangements for reports to be forwarded from the field so Washington would know how much housing was available?

Colonel GROVES. Not necessarily. If I had spent my time reading reports from all these camps I would never be able to do anything else.

Colonel WILSON. You see, Mr. Fulton, that is decentralized to the corps area commander, the constructing quartermaster on the ground, plus the zone quartermaster, who is in corps area headquarters, should have those figures available and the mobilization of divisions is decentralized as to corps area commander. It is the question of the corps area commander asking the constructing quartermaster through his quartermaster on his own staff, how many barracks are available at Fort Meade on blank date.

Mr. FULTON. I understand General Reckord will be here on Monday and these other gentlemen could be present then.¹

Colonel WILSON. Yes.

¹ For testimony of Maj. Gen. Milton A. Reckord, see *infra*, p. 573 et seq.

Mr. FULTON. Now with respect to completing a camp, of course, there were 1,000 buildings, approximately, in the camp, were there not, even as originally planned? Now it is absolutely impossible to finish 1,000 buildings simultaneously so there has to be some kind of a plan, whether the Army is interested in it or not. There has to be some kind of a plan by the contractor as to which buildings to get up first, because some necessarily will be finished before others. Now my question related to the fact, did the Army have any schedule that gave the contractor at the beginning, when you listed the buildings, information that it wanted any completed first, and if so, did the Army continue to abide by that or make changes on it?

Colonel GROVES. Originally? I am not personally familiar with it, but I imagine it originally was done like all other camps. It was given to the contractor to complete within a certain time, and it was his responsibility to decide from a construction standpoint, that is from the basis of economy, which priority he would give,

Mr. FULTON. Now, Colonel Groves, you say you wouldn't know. Now who does know in Washington whether there was such a schedule? Who in the Quartermaster General's office would be charged with doing that, if anyone would?

Colonel GROVES. I imagine the best answer could be gotten from the people who are in the field and to whom it had been decentralized.

Mr. FULTON. What I wanted, though, was what the Quartermaster General Corps in Washington would know about it and who in the Quartermaster General Corps would know the facts with respect to that, so far as anybody here in Washington is concerned.

Colonel GROVES. Giving priorities at the time the contract was signed?

Mr. FULTON. Or giving some consideration to what parts of which camp should be done first, and who in Washington had that duty.

Colonel GROVES. I don't imagine that anyone did because the contract provided for the completion of the camp, and that was what was intended at that time, and it was assumed at that time that the whole camp would be completed, and there were not any priorities.

Mr. FULTON. Whether you had a supplement or not is not absolutely clear. You can't complete 1,000 buildings simultaneously; that would be uneconomical construction from any standpoint, so what I asked is who, on behalf of the Washington authorities, was charged with determining what parts of these camps should be finished first, and if the answer is "Nobody," why that is sufficient.

Colonel GROVES. The answer is "Nobody," and also that no one had to because it was left to the contractor to run his job as economically as possible, and it was not desired to occupy these buildings in advance. There was one exception there; after the job was started he was asked to expedite the completion of a reasonable number of warehouses so that supplies could be moved into the garrison.

Mr. FULTON. Well, now, is it your conception, then, that the Army expected 25,000 men to arrive in a single day at Fort Meade, 90 days after the letting of the contract, and that it had no plans other than plans based on that assumption?

Colonel GROVES. Not 25,000 men, but they expected the camp to be completed, ready, so that the troops could be moved in without running into any difficulties with respect to construction.

Mr. FULTON. Now, isn't that an undesirable expectation, because it involves the necessity of incurring heavy expense to build a camp that may be several times the size that you need for your first arrivals, and to have it all ready before a single man is needed, wouldn't that be true?

Colonel GROVES. The idea was to have it ready just before the troops wanted it.

Mr. FULTON. Now was it expected that 25,000 men, which is the amount you were building for, would arrive simultaneously?

Colonel GROVES. No.

Mr. FULTON. Now wouldn't it then be a proper thing to plan with the contractors by giving them information as to how many were supposed to arrive and when, and at least telling them what parts to do first?

Colonel GROVES. No; that was not practicable because the time margin is not there; there isn't enough difference in the arrival of these troops. If you move a division in, as these divisions were moved in, it is best to bring them in in about 5 to 10 days' spread; that is for the convenience of the troops in moving in, and for the effect on rail service, and things of that kind, and that meant the whole division camp should be ready from a standpoint of the troop commander and the efficiency of the Army. The best thing that could be done would be to have all the construction work over when the troops started to come in.

Mr. FULTON. How big is the reception center at Meade?

Colonel GROVES. I believe——

Colonel WILSON (interposing). Twenty-five hundred.

Mr. FULTON. How long do they stay there?

Colonel GROVES. In the reception center the normal procedure is to stay there from 2 to 5 days.

Mr. FULTON. Then wouldn't it be impossible for all of them to move in simultaneously?

Colonel GROVES. You mean for the whole division? Practically impossible for them all to get there at the same moment; they would have trouble getting in the roads, but they could arrive within 2 or 3 days.

Mr. FULTON. But the selectees all would have to go 2 to 5 days to a reception center and the reception center wouldn't be big enough for all the selectees you intended, so I mean in any event you couldn't move the whole corps in even in a period of 2 or 3 weeks.

Colonel GROVES. You are referring now to moving the division in at full strength, rather than at the reduced strength that was mentioned here that the Eighty-ninth had.

Mr. FULTON. I am referring to bringing 25,000 men into Meade at one time, 90 days after the contract was let; it is a physical impossibility, isn't it?

Colonel GROVES. Not necessarily. We had no idea as to what the strength of the division would be that came in. As Colonel Wilson stated, it was estimated to be 12,000. Now if you bring in a division of 12,000 into barracks that are to accommodate 20,000, say, when that division is in at full strength, you want that whole divisional area to be ready when you bring your troops in, or you are going to be in a constant snarl. You can't put two companies in the same barracks,

or have them use the same latrine or mess hall for very long without having trouble.

Mr. FULTON. You would be in almost as much of a snarl as the contractor would be taking his men from one part of the job to another, I suppose, because he has a force of 18,000 men there at one time. That is a pretty big force for him to move around, isn't it?

Colonel GROVES. That is quite right.

Mr. FULTON. Without sergeants and Army discipline.

Colonel GROVES. That is quite a number of men for him to move and that is what we had him for, was to manage this project.

Mr. FULTON. Now the point is raised here that the Army schedule of troop arrivals shows only 32 here for February 3, and then 2 days later about 600; another day later another 400, and scattered throughout the entire month there was no day on which more than 2,800 were to arrive, and at the end of February only 9,281 men.

Colonel GROVES. Now you said there that that was the schedule and that no more were to arrive. That was the schedule; that was prepared on about February 3, and later to accommodate itself to the housing that was ready and the commanding general of that division and the corps area commander; that was not the basis on which we attempted to complete the camp.

Mr. FULTON. So this schedule gives effect to the full housing that was available at the time and you would say that on February 3 there was only housing for 32 men at Camp Meade?

Colonel GROVES. No, that is not correct. I said it was the housing of which the commanding general was responsible for the movement of the troops and wished to avail themselves of.

Mr. FULTON. Then you mean that there was housing at Fort Meade on February 3 for a good many more than 32 men?

Colonel GROVES. Yes, sir.

Mr. FULTON. But the commanding general, who I take it would be General Reckord,¹ was only willing to put 32 men in at that time in that housing?

Colonel GROVES. I believe that that is not correct. As I recall the date of the call of this division was February 3, and you can't call them and move them the same day that they are called.

Mr. FULTON. Well, on February 5, to go a little later, then, there are 597. Now certainly there were more facilities than enough to house 597 people at Fort Meade on February 5, weren't there?

Colonel GROVES. There were. I believe that the real reason—

Mr. FULTON (interposing). Then wouldn't it be inaccurate to say that the contractor didn't have enough facilities ready to take care of the men that came or could be sent at that time when there were extra facilities which were available?

Colonel GROVES. There were facilities available. There were not, as I recall, in the opinion of the commanding generals, sufficient hospital facilities available at that time.

Mr. FULTON. Now the point I am making is who in Washington, and I take it the answer is "Nobody," because you have already answered it, made any plans back at the time of the negotiation of this contract to tell the contractor what buildings to get ready first,

¹ See *infra*, p. 573, et seq., for testimony of Gen. Milton A. Reckord, 29th Division Commander, on this subject.

because you can't have everything finished simultaneously; it is humanly impossible.

Colonel GROVES. No one told him which ones to finish first; they told him to finish the camp in 90 days, as I recall it, and if he had accomplished that there wouldn't have been any question as to which should have had higher priority.

The CHAIRMAN. Did it ever occur to the Quartermaster General that might be physically impossible, no matter how good the contractor is?

Colonel GROVES. I think it occurred to everyone who had construction experience at the time, and I think everyone recognizes that fact today, that it was an impossible task.

The CHAIRMAN. Don't you think it would have been to the advantage of both the Quartermaster General and undoubtedly to the advantage of the contractor if some priorities had been set up for him in the beginning?

Colonel GROVES. I don't believe so initially, Senator. Actually they were set up very soon after he started.

The CHAIRMAN. But they were changed every day, according to the contractor. He never knew which priority he was going to work on every day.

Colonel GROVES. I am not familiar with what he said on that, so I am at a disadvantage.

The CHAIRMAN. The record is available.

Mr. FULTON. Wasn't there an important priority given on January 8, different from what had been given before?

Colonel GROVES. I couldn't say.

Mr. FULTON. Isn't that true, Mr. Stalfort, that on January 8 or about that time you got a new priority?

Mr. STALFORT. No, the priority was issued the latter part of November for January 8.

Mr. FULTON. To finish January 8?

Mr. STALFORT. Yes.

Mr. FULTON. And when did you get the priority it was to be finished on January 8?

Mr. STALFORT. I don't have that definite date in my mind, but it was the latter part of November, early part of December.

Mr. FULTON. If it was the latter part of November, two-thirds of the 90 days had expired before you were given the priority.

The CHAIRMAN. Mr. Stalfort, I want to ask you while we are questioning you, when are you going to finish that camp now?

Mr. STALFORT. Well, sir, it is finished now, except for the painting and two special buildings, the laundry and the cold-storage buildings.

The CHAIRMAN. How about the roads and grading and things of that sort?

Mr. STALFORT. That is complete, as far as we are going with it.

Mr. FULTON. Colonel Groves, in order to build any camp of that size in 90 days you necessarily are sacrificing economy for speed, is not that right?

Colonel GROVES. You are setting up a condition to me of building a camp in 90 days and that naturally affects the cost.

Mr. FULTON. And, therefore, if you expect to use only half of the camp in 90 days it would be a rather uneconomical thing to plan to have the whole camp done in 90 days at extra cost, instead of dividing

the camp into the part you really needed and allowing the extra factor to save the money?

Colonel GROVES. We really needed the whole camp. You are, I think, a little confused here as to the use this camp should be put to. It is the same thing as building a house and saying, "Well, I don't need one room finished," but still you have to get the carpenters out of that house before you can occupy it with any degree of comfort or usefulness, and that is identical with this situation.

Mr. FULTON. I thought we had separate barracks and mess halls here for each company. Couldn't a company occupy an area that might be 2 miles from another company, even though the other company's quarters weren't finished? You certainly wouldn't need all the mess halls and all the barracks before you can occupy one.

Colonel GROVES. To do that would mean the intermingling of units, which you can do for a week or 10 days, without too much difficulty, but you can't do it indefinitely. You can't have a company scattered in 10 or 15 different places; you can't.

Mr. FULTON. Does a company need 10 or 15 different barracks? I thought it only needs 2.

Colonel GROVES. It needs two.

Mr. FULTON. Then it wouldn't be scattered.

Colonel GROVES. It would be scattered if you tried to take advantage of the spare space in that company and fill it with men from other companies.

Mr. FULTON. I wasn't suggesting that; I am saying the company when it arrives could take a barrack and a mess hall, even though another company's barracks and mess halls were not at that time complete.

Colonel GROVES. But all of these companies were scheduled to come in at the same time. What happened was that a company came in with maybe 70 men instead of the greater strength that they would come in later, and that meant you had to have the facilities for that company to exist.

Mr. FULTON. Why?

Colonel GROVES. So they could operate.

Mr. FULTON. Couldn't they operate just as well, even though they slept in a barrack in which two or three men from another company also slept?

Colonel GROVES. They couldn't operate well at all. You just can't run an organization that way.

Mr. FULTON. Now one other question. Is it true that if we added the barracks the camp would accommodate 33,000 men?

Colonel GROVES. I couldn't say as to the exactness of that. I know if you added barracks that the camp could accommodate a great many more men.

Mr. FULTON. Who in the Quartermaster General's office would be responsible for determining the number of men that the camp was to be built for?

Colonel GROVES. The camp was to be built, according to the War Department policies, which included for each rifle company of infantry, for example, the leaving of a space for an additional barrack in the event that the strength of that company was changed at a later date.

Mr. FULTON. But it included the building of the mess halls and everything else in sufficient size?

Colonel GROVES. It included building mess halls of sufficient size so that every time we increased the strength of the company by one man we didn't have to tack on an addition to the mess hall.

Mr. FULTON. The problem that seems to exist is this, that we have the necessity to accommodate maybe 25,000 people at the outside and we build in 90 days or attempt to build in 90 days, with all of the wastage involved there, facilities to accommodate thirty-three or thirty-four thousand men. Now what I wanted to know was why we couldn't build those extra facilities at a period subsequent to the 90 days, rather than building them all at once?

Colonel GROVES. The reason for that is this, that we don't know just what we are going to have to meet in the military situation. We never know from one day to the next what the development in organization is going to swing toward. If we increase the strength of a company by 30 men, those 30 men have got to live in that company area or else we upset all of our training.

Mr. FULTON. Then I understand you to mean that if we decide to increase the company strength by 30 we will throw away the camps we have and build them over again, because we won't have the proper relationship between the various mess halls and barracks?

Colonel GROVES. That is why we left space for these extra buildings which are barracks.

Mr. FULTON. Only on the assumption that on the building space theoretically you don't know how many men we have to accommodate now?

Colonel GROVES. That is correct, and I might add that where we have had that experience some of this work was done before we started changing some of our organizations. For example, the addition of the antitank company to the infantry regiment, and it was very difficult where unreasonable economy had been used in the layout of the camp to squeeze in this extra company that had to go in the regimental area. You don't want one company of a regiment living a mile or 2 miles away from the regimental commander.

Mr. FULTON. That means then we have made some changes even since the program started?

Colonel GROVES. This was since the program started last June, with the starting of the housing for the Regular Army divisions at such points as Ord and Jackson.

Mr. FULTON. I assume, then, that the Army's position is that the 227,000 housing facilities for the Regular Army which we had available at the time of the emergency are of no use at all because they certainly couldn't fit these changes that were made subsequently?

Colonel GROVES. It has been very difficult to use some of the housing for tactical purposes. It all has been made use of.

Mr. FULTON. And the theory which you evolve means that every time we change our company strength or our regiment or division strength or add to or subtract from the forces at a camp that the entire camp should then be changed in accordance therewith, and that it is impossible to make any determination in any given time that this is a typical unit or typical arrangement which could be built now, without the thought of being added to or changed?

Colonel GROVES. You have assumed a great many things there that aren't quite right. Actually we did provide for small changes. We provided for that by having a standard mess hall of a certain size, 170-man mess hall, which would take care of any fluctuation in the strength that might be found to be desirable from a tactical standpoint.

Mr. FULTON. You mean you built them larger than you wanted them so if you didn't want to increase it you would have facilities?

Colonel GROVES. We built them larger than we needed for the individual unit. We can't take, for example, if a company had 151 men, a mess hall for 170; that allows for fluctuations in strength, either due to change in the military situation or it might mean a difference in strength or to local conditions.

Mr. FULTON. My only point was, can't the staff determine once and for all for purposes of at least this war the general size of a company?

Colonel GROVES. No; by no means.

Colonel WILSON. No; you cannot do that, absolutely not. Warfare is constantly in a state of flux.

Mr. FULTON. So we don't even know the size of a company today?

Colonel WILSON. You know it today, but that company might be added to tomorrow by change in armament, change in tactics, changes in everything.

Colonel GROVES. And also on what happens overseas.

Colonel WILSON. That is what we base our changes on.

Senator BREWSTER. I wanted to ask about this hospital business. Is there a ratio of hospital facilities to troops?

Colonel GROVES. Yes, sir. You probably heard the expression 1,000-bed hospital on a 1,500-bed lay-out. The theory has been that we would build our hospitals for 4-percent bed capacity for the troops. That is our station hospitals, but we would also build them so that if anything proved to be wrong that we could expand to a 5-percent basis, and we would have a hospital that all we would have to do would be to add wards and a few accommodations of that character.

Senator BREWSTER. This simply applies to training camps?

Colonel GROVES. All war-termed station hospitals where—not the general hospitals such as Letterman and Walter Reed.

Senator BREWSTER. Has that ratio changed in recent years?

Colonel GROVES. I don't believe we have had a ratio until we started this, but that is it.

Senator BREWSTER. What, for instance, in the last war was the program?

Colonel Groves. I don't recall whether they had a ratio or not.

Colonel WILSON. The ratios which they figured are based as a result of the last war. We call them Love's curves in the Army, from Colonel Love. That is a ratio for everything based on the basis of experience, the percentage sick at home and the percentage you get in the various kinds of attack or defense or various operations or movements overseas. You can pretty nearly tell how many you are going to lose, how many are going to be killed or wounded, sick, for the purpose of planning by Love's curves.

Senator BREWSTER. That figure for these training camps figured 4 percent would be a provision with the latitude of going to 5 percent.

Colonel WILSON. As the result of the experience in the last World War.

Senator BREWSTER. Now what is the situation about whether the regimental infirmaries——

Colonel WILSON (interposing). Those are just temporary where a man gets first-hand medical aid.

Senator BREWSTER. What is the ratio on those?

Colonel GROVES. One per regiment.

Senator BREWSTER. And how many do they accommodate?

Colonel GROVES. They are not designed to keep anybody there more than to look at him. It is more like a doctor's office; the patients come there on a sick call, or if they are hurt during the day they come there and are examined by the regimental medical officers and he then either returns them to quarters or to duty or he sends them on to the hospital and they are sent over there by ambulance.

Senator BREWSTER. How many beds do they have in one of these regimental infirmaries?

Colonel GROVES. There are two styles and I think the infirmary has no beds at all, excepting a bed for a man to lie on who is seriously injured, until they can call the ambulance.

Senator BREWSTER. What is the other style?

Colonel GROVES. There is a dispensary. I may have those two names mixed; that the dispensary for some reason has some beds in it.

Senator BREWSTER. I thought it was the other way; the infirmary had the beds and the dispensary dispensed the stuff.

Colonel GROVES. That is the normal assumption and I think I am right in twisting them about.

Senator BREWSTER. And how many beds are there in this dispensary?

Colonel GROVES. I believe about six, but I am not positive of that.

Senator BREWSTER. Did that prevail in the last war? Was it the same arrangement?

Colonel GROVES. I don't recall; I only remember one of them, but it was that system.

Senator BREWSTER. Why I asked is because I found on my visit to the camp this last month that the boys very much preferred the dispensary or the infirmary, whichever it is, and a very high percentage of them remained there for some days, whether that is in accordance with orders, but they didn't like to get over to this station hospital, and I would like to know whether that was a new development or whether that was planned that way.

The CHAIRMAN. That isn't a new development, Senator, and that isn't a new action on the part of soldiers; none of them like to go to the hospital, if they can help it.

Senator BREWSTER. Well, does this provision of, you say, six beds—how many regiments would there be?

Colonel GROVES. That depended on the individual camp and my recollection is that we have provided mostly the infirmary, without any bed capacity, but I would have to check on the particular camps to let you know anything about that. The purpose of it was the same in every case; it was to hold patients they didn't want to send over to the station hospital.

Senator BREWSTER. Now have you the curves of Colonel Love as to how far these anticipations have been realized in the last 3 months?

Colonel GROVES. Well, I can speak offhand on that. In one camp, I am not sure which, the surgeon there told me that they were running 10 percent instead of the 4 during an epidemic that he had there of colds or something of that kind. I am sure not of the camp, so I would rather not say. Elsewhere they never had to use the 4-percent capacity. Now in that 4-percent capacity it must be realized that you can't have 4-percent sick to match up with your 4-percent beds because there are different wards. You can't put a man who has a contagious disease in one of the other wards, so you do have some waste bed space there.

Colonel WILSON. And there is another consideration, Senator. Of course the Congress put in the bill that adequate hospitalization had to be provided, so of course the Army, if there was any error, erred on the side of adequate hospitalization.

Senator BREWSTER. Are we to have a report, Senator, from the Surgeon General about this health condition? I should like very much to see the figures over the last 3 months.

Colonel WILSON. We can get those figures for you over the last 3 months of the percentage of hospitalization in various camps.

The CHAIRMAN. If you will supply these for the record.

Senator BREWSTER. Five months, or whatever is the best comparable period. I would like to see what the curves show and what the present ratio is and for the various camps, because I think that is of great interest.

The CHAIRMAN. Camps from the arrival of the troops to date, to the first of May, we will say.

Senator BREWSTER. I assume that may be affected by climatic conditions. I noticed Fort Lewis; I was out there at the time of the epidemic last fall; they were very much concerned at Camp Ord also, but it will also afford some possible light on conditions of these camps which were deplorable at Ord at the time I was there.

The CHAIRMAN. That couldn't happen in California, could it?

Senator BREWSTER. There was no water the day I visited the camp; the water supply was out as a result of some difficulty with their artesian wells or something. Now that naturally, I assume, affected the health of the boys and I think if we could have the curve for these various camps it would be very illuminating.

Colonel WILSON. We will get that.¹

Mr. FULTON. There are proportionately more hospital beds for the Army than there are for the civilians in say a large city, so the Army has been trying to be more than careful.

Colonel WILSON. Your percentage of accidents and people hurt, of course, in the Army is a little bit higher than it is in cities, too.

Senator BREWSTER. I want to say, Colonel Wilson, that it is very easy for us to ask questions; I realize that, so if our questions take in so much territory that it is going to take the whole Army to answer them, I expect you to advise us. We will be happy to modify our questions to some extent to recognize you have other things to do.

Colonel WILSON. We have complete records.

Senator BREWSTER. We know you have some other jobs to do; we don't want you to quit getting ready for war.

¹ In a letter dated June 9, 1941, the War Department stated: "This information should be explained to the committee by a witness of the Surgeon General's Office before it is incorporated into the record."

Colonel WILSON. The Surgeon General has the figures you ask for and it will be very simple to get them.

The CHAIRMAN. That will be all. The committee will adjourn until Monday at 10:30, at which time General Reckord will be the witness, and then we will go into the construction of Camp Leonard Wood, in Missouri.

(Whereupon, at 12:45, the committee recessed until 10:30 a. m., Monday, May 5, 1941.)

INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM

MONDAY, MAY 5, 1941

UNITED STATES SENATE,
SPECIAL COMMITTEE INVESTIGATING
THE NATIONAL DEFENSE PROGRAM,
Washington, D. C.

The committee met at 10:30 a. m. pursuant to adjournment on April 30, 1941, in room 318, Senate Office Building, Senator Harry S. Truman presiding.

Present: Senators Harry S. Truman (chairman), Mon C. Wallgren, Carl A. Hatch, Joseph H. Ball, and James M. Mead.

Present also: Senator Clyde L. Herring, of Iowa; Hugh A. Fulton, chief counsel; Charles P. Clark, associate chief counsel.

The CHAIRMAN. The committee will come to order. Major Noxon will be the first witness. Major, you had a further statement you wanted to make to this committee and I promised you that you should make it this morning. You may proceed.

TESTIMONY OF MAJ. JAMES NOXON, CONSTRUCTION QUARTER-MASTER, FORT GEORGE G. MEADE, MD.—Resumed

CAMP CONSTRUCTION AT FORT MEADE

Major Noxon. It has to do, Senator Truman, concerning the testimony of Colonel Groves. He stated by inference that I had taken the matter of the location of the hospital, as finally decided upon, up informally with the War Department, having in mind Colonel Groves' visit to the camp on October 5. I find in searching through my records that I can find no statement or inference to the effect that General Parsons had insisted upon the hospital's placement where it was placed as early as that time, and I, therefore, do not believe that my statement that I had taken the matter up with a representative of the War Department at that time is correct. I wish to correct that.

Mr. FULTON. That would mean, then, that so far as any record you have is concerned, you never took it up with Colonel Groves?

Major Noxon. Not on October 5.

Mr. FULTON. Or at any subsequent time?

Major Noxon. Not according to the record; no.

Mr. FULTON. How about Mr. Wray?¹

Major Noxon. I held almost daily telephone conversations with Mr. Wray, certainly very shortly after that time. I will not say

¹ Herschel G. Wray, whose testimony appears *infra*, p. 559 et seq.

that I was talking to him daily on the telephone by October 5. He took over as supervising constructing quartermaster on or about that time.

Mr. FULTON. Major Noxon, the question was simply whether you took up with him the location of the hospital, and the question as to whether the Quartermaster General Corps would take the matter to the General Staff.

Major Noxon. No; I have never talked with him about that. I talked with him about the general placement as decided upon by General Parsons.

Mr. FULTON. Did you ask for instructions as to whether you should build the hospital where General Parsons had designated it?

Major Noxon. I did not.

Mr. FULTON. Why wouldn't you do that?

Major Noxon. My instructions when I went to Washington—I was there for some 9 days before I was assigned as constructing quartermaster—we had several lectures and were given considerable incidental advice during that period. One of the things which was impressed upon all of our minds was that we must satisfy the post commander and the corps area commander in each case. I have some supporting papers qualifying that statement which I will produce if you would like to have me. Would you care to have me, sir?

Mr. FULTON. Was it your understanding, Major Noxon, that the corps area commander's statement as to where the buildings were to be located was final, and that the Quartermaster General Corps had nothing to do with that except to follow out his instructions?

Major Noxon. All the teaching that I had had at that time led me to believe that; yes, sir; and I acted accordingly.

Mr. FULTON. And you say you have certain papers that support that statement?

Major Noxon. Yes, sir.

Mr. FULTON. Could you show us exactly what you refer to?

Major Noxon. The first is fixed by letter No. 1, Office of the Quartermaster General. It is undated, but was handed to me prior to September 29, which was the date on which I went to Fort Meade.

Paragraph 4 in part reads as follows:

You should coordinate your work through the commanding officer of your station and the corps area commander when the installation is to be under his jurisdiction.

Then, in paragraph 7 of the same letter:

Once you and the commanding officer have agreed on what is required, proceed with the work at once and do not await the final approval of this office.

Mr. FULTON. But, Major Noxon, doesn't that mean that you had coordinate or equal functions, in the sense that it was his function to place it from a military standpoint and your function to place it from an economical standpoint?

Major Noxon. Possibly so.

Mr. FULTON. And wouldn't you construe that to mean that unless you agreed with him, you should at least note your disagreement to your superiors?

Major Noxon. I did not so consider it at the time, based largely upon the so-called instruction which I had received in the office of the Quartermaster General before I went to the camp. I am referring to

the statement repeatedly made to myself and others going on similar duty that we must satisfy the camp commander, or rather the post commander and the corps area commander. That was part of our Bible, you might say.

Mr. FULTON. In that connection, was there any discussion of costs; that is, of whether you would satisfy him irrespective of what the cost would be?

Major NOXON. I beg your pardon, sir.

Mr. FULTON. Was there any discussion as to whether you would satisfy him, the corps area commander, irrespective of what the cost from a construction standpoint would be?

Major NOXON. You mean instruction in Washington, before I left?

Mr. FULTON. Instruction in Washington, yes.

Major NOXON. I do not think so.

Mr. FULTON. But now in any event, irrespective of that, isn't it fundamental in military work that if you don't agree with what is being done, you take it up at least with your immediate superior in your own division of work?

Major NOXON. Let me answer that, if I may, by endeavoring to make myself clear on the disagreement. I did disagree with General Parsons from an economic standpoint.

Mr. FULTON. Which was the only standpoint that you had a function in.

Major NOXON. That is true. I believed and still believe that we could have built that camp, particularly the hospital area, in a different location and saved a good deal of money. However, I did not feel that I had a right to question General Parsons' decision.

Senator HATCH. May I interrupt there? What were you there for?

Major NOXON. I was constructing quartermaster to build a camp.

Senator HATCH. And you believed it was being built wrongly and uneconomically.

Major NOXON. The paramount purpose was to build a camp for the training of troops, and part of that was the placement of the camp, as I saw it, so that the use could be made to the best advantage of the terrain in the camp site.

Senator HATCH. I don't have any more questions of this man.

Mr. FULTON. Major Noxon, according to another question, somewhat similar in importance, that of troop housing, I understand that at the time about 9,000 troops were brought in for the Twenty-ninth Division there was then housing available for about twelve or thirteen thousand troops, but it wasn't the final housing in which the division would ultimately and finally be housed. Is that correct?

Major NOXON. That is true. I can give you the approximately exact figure, if you care to have it.

Mr. FULTON. It you would.

Major NOXON. On February 18 there was a barrack capacity, according to our curves, of about 10,700.

The CHAIRMAN. What date was that?

Major NOXON. On February 18. I use that date, Senator, because that was practically the date of the final arrival of the original contingent of the Twenty-ninth Division.

Mr. FULTON. And how many troops were expected to arrive at about that time?

Major NOXON. Nine thousand nine hundred and five.

Mr. FULTON. So that there was more barrack capacity than there were troops?

Major NOXON. Yes, sir. The mess capacity that date was about 15,700.

Mr. FULTON. So there was more of both barracks and mess capacity?

Major NOXON. Yes.

Mr. FULTON. Now at that time, as I understand it, a great deal of overtime was expended in order to complete other barracks and mess halls. Have you any way of computing how much was expended there?

Major NOXON. Well, that could be worked up, Mr. Fulton. I do not have the figures with me.

The CHAIRMAN. It was the estimate of the contractor that it would run about three and a half million dollars.

Major NOXON. I guess I didn't understand the question. I thought you were speaking about a specific day or series of days.

Mr. FULTON. I was speaking about the specific question of building additional barracks and mess halls so as not to require the men to take their nonpermanent quarters. I was first talking of overtime, which would be one factor in the additional expense, and overtime only as it applied to that particular matter.

The CHAIRMAN. This three and a half million dollars applied to the whole period.

Mr. FULTON. Could you compute that, or estimate it?

Major NOXON. On February 18, when we had a barrack capacity of, roughly, 10,700, we did not stop overtime work. In other words, overtime work continued after that date. Does that answer your question, Mr. Fulton?

Mr. FULTON. How much was that overtime or, if you don't know it, would you compute it and furnish it to us by a letter?

Major NOXON. Do you mean on that date?

Mr. FULTON. I mean overtime which could have been avoided if the housing which had been available on February 18 had been used, instead of being given a requirement of furnishing additional housing.¹

Major NOXON. Yes, sir. In other words, how much money you might say would have been saved provided overtime had been cut off on that date. Is that what you want?

Mr. FULTON. Yes, sir. And then in addition I don't suppose you can estimate it, but I imagine there was a certain amount of disorganization that followed by reason of the fact that certain work had to be discontinued in areas where it was progressing, and the men shifted to complete specified housing in advance of the time of their coming. Is that also true?

Major NOXON. Any cost on that would be very difficult to get.

Mr. FULTON. Does the factor exist?

Major NOXON. Yes, it does, to some extent.

Mr. FULTON. You have furnished me with a figure of 52,000,000 as being the total number of board feet of lumber used.

Major NOXON. That is the total number of board feet purchased.

¹ See chart, subsequently submitted by the War Department, which appears in the appendix facing p. 712.

Mr. FULTON. Purchased?

Major Noxon. Yes, sir.

Mr. FULTON. And if that could have been purchased at \$30 a thousand, which was the price both before the Government began to build the camps and after the Government had begun to purchase its own lumber, there would have been a saving of somewhere between four hundred thousand and five hundred thousand on lumber, would there not?

Major Noxon. Mr. Fulton, a large proportion of that lumber was purchased by the Government.

Mr. FULTON. But the Government started purchases after the price of lumber had gone from about \$30 up to nearly \$40, and then the purchase price of lumber in the country generally, according to General Somervell, went back down to around \$30. Is that in accordance with your information?

Major Noxon. I wouldn't know; I can't say, sir.

Mr. FULTON. But in any event, with 52,000,000 board feet, if they could have saved the difference between what was actually paid for the lumber and \$30 a thousand, it would have amounted to between four and five hundred thousand dollars?

Major Noxon. If the condition you say is so, doubtless yes.

Mr. FULTON. I asked you to compute the total number of carpenter-hours, and you arrived at a figure of 3,850,000, which, divided into the total number of board feet purchased, would show that the average hourly work of the carpenter was only $13\frac{1}{2}$ board feet.

Major Noxon. Yes, sir.

Mr. FULTON. You, however, have certain information which indicates it wouldn't be entirely fair to allocate all of their time to simply nailing the lumber. Would you tell us some of those factors?

Major Noxon. Well, included in the 3,850,000 hours are such items as sheet rock and wall board, which were put on. That is not reflected in the purchase of lumber at all. Such items as batter boards, shoring and placing of sewer and water trenches, that was all done by carpenter labor.

Mr. FULTON. But to the extent that those latter items involved the use of lumber, that was part of the 52,000,000 board feet, was it not?

Major Noxon. Yes, sir; except for the sheet rock.

Mr. FULTON. Except for the sheet rock.

Major Noxon. Yes, sir. Now you take the item of shoring and bracing. A relatively small amount of lumber was actually used.

Senator HATCH. You can't do that without lumber.

Major Noxon. True, but a relatively small amount was used with a relatively high labor cost, carpenter labor hours. As you know, that is very difficult work.

Mr. FULTON. I asked you also to give me whatever information you had on how much an average carpenter should place, and I believe that you computed that on sheathing, roofing, and flooring he should place about 90 feet an hour, and on other work about 44 feet an hour.

Major Noxon. That was not a computation. Those were taken directly from Walker's Handbook.

Mr. FULTON. That was the building estimator's reference book FR-1? Is that considered a manual that is well written and is generally referred to for information in building construction?

Major NOXON. Yes, sir.

Mr. FULTON. And those two figures would, respectively be, in the one case, more than three and in the other case about seven times the average amount that was put in place on the camp subject, however, to correction for those items that you mentioned?

Major NOXON. And several others which I have not mentioned, such, for example, as roofing. Roofing all went in there. It had nothing to do with the 52,000,000 feet, but it was a huge item in the construction.

Mr. FULTON. You mean the roofing, as distinct from the sheathing under the roof?

Major NOXON. Yes, sir; the roofing itself, the placing of the roofing.

Mr. FULTON. Was that done by the carpenters as distinct from the roofers?

Major NOXON. That was done by the roofers, but it is included in there.

Mr. FULTON. Didn't you keep the roofing men separate from the carpenter men?

Major NOXON. It may have been. They received the same rate of pay, and aside from the fact that they were in a different union we considered them as carpenter labor. They were part of the construction.

Mr. FULTON. They were two different unions, weren't they?

Major NOXON. Yes, sir; they were two different unions.

Mr. FULTON. Don't we even have the figures for carpenters as distinct from roofers?

Major NOXON. I do not have that here, and I am frank to say that while I believe the roofers are in there, I am not positive of that. I will provide you with that information.

Mr. FULTON. Would you furnish me with that additional information?

Major NOXON. Yes, sir.¹

Mr. FULTON. Now, with reference to cubic dimension, you did make one test check of one barracks to find out how much it cost. I believe you came to the conclusion that without any overtime or overhead the work would cost about \$15,734 for one barracks.

Major NOXON. On that particular building; yes, sir.

Mr. FULTON. Did you conclude that the conditions in that were average for the entire camp? In other words, was it a true check?

Major NOXON. I do not know, Mr. Fulton. I asked the cost engineers to prepare that data, and I have no idea now as to even what building it was. I told them, however, to pick out a typical building; that is, they had to pick one up about, oh, December 1. They started with the foundations and the final figures were not in until, oh, around January 1.

Mr. FULTON. What I had in mind was, of course, that wouldn't include any added expense by reason of overtime that would be put in in order to complete that particular barracks ahead of the time that had been originally anticipated, and it also would not include any disorganization expense by reason of changing the gangs of the contractor from one location to another.

¹ Subsequently supplied.

Major Noxon. That is true.

Mr. FULTON. But excluding those additional items and excluding overtime, it would be about \$15,734, which I believe you computed on a cubic-foot basis would cost 24.4 cents.

Major Noxon. Yes, sir.

Mr. FULTON. Isn't that a very high figure for a building of that type?

Major Noxon. I believe the \$15,000 to be a rather high figure.

Mr. FULTON. I mean the cubic-foot cost—

Major Noxon. Of course, that would be—

Mr. FULTON. As compared with cubic-foot costs of permanent buildings in the United States.

Major Noxon. I don't know. I tried to get some information on that. Walker had nothing and I was unable to get any satisfactory information throughout the office, and there were some pretty good engineers around there, but I couldn't get a thing.

Mr. FULTON. Then just one or two more questions. I understand that the sewer facilities in the old World War camp site are the ones that have been used and are still in use in the permanent post.

Major Noxon. A portion of them; yes, sir.

Mr. FULTON. So that the World War facilities were found sufficiently good to be used at the permanent post over a period of some 6 or 7 years since that was made a permanent post.

Major Noxon. Yes, sir. Of course, Mr. Fulton, there was considerable maintenance and repair carried on on those sewers during all of that time.

Mr. FULTON. Major Noxon, in respect to this troop housing, when you found that there would have to be overtime and disorganization expense incurred by reason of the necessity of building ahead of time the housing which would be the permanent quarters for that section of the Twenty-ninth Division which was coming in, did you take that up with your immediate superior and the Quartermaster General Corps before incurring that expense?

Major Noxon. I cannot say, Mr. Fulton. I have nothing here with me, and I can't state from memory. As I previously said, I was in daily communication with the office of the Quartermaster General by telephone and by visits. Unquestionably the change in plan was known to the office of the Quartermaster General, and I have a schedule which was our first major priority—I have that with me—which was unquestionably sent to the office of the Quartermaster General.

Mr. FULTON. I was talking about this particular problem that you ran into in February, of providing different housing for the Twenty-ninth Division, although you already had sufficient quarters to house that portion which was coming in during that month. Did you take up the question of additional expense which you would have to incur if you provided different housing from that which was already in location?

Major Noxon. That was a matter of common knowledge and was talked over with everyone concerned, including my immediate superior at that time.

Mr. FULTON. By that do you mean that you informed your immediate superior, Mr. Wray, that it would involve the additional expense?

Major Noxon. At that time my immediate superior was not Mr.

Wray, but the Zone Construction Quartermaster, who had recently been appointed.

Mr. FULTON. And did you inform him?

Major NOXON. I will not say that I said to Colonel Burgheim, "Colonel, doing this overtime is going to cost us so much money," as such, but there was no question in my mind nor in his mind that the overtime was costing us money. At least there was no question in my mind. I can't speak for Colonel Burgheim, of course.

(Senator Hatch assumed the Chair.)

Acting Chairman HATCH. Senator Wallgren, do you have any questions?

Senator WALLGREN. No.

Acting Chairman HATCH. Senator Ball?

Senator BALL. Major, I was interested in these 9 days of instruction that they gave you, and I assume other construction quartermasters. What instructions were you given regarding watching costs?

Major NOXON. We had several lectures, one of which covered the subject of cost accounting as it was set up at that time. I do not remember, Senator, any specific instruction on that subject. However, all of these officers who were being instructed at the same time I was were engineer officers, or rather construction officers, and possibly it might have been assumed that we would look at costs. I do not say that that was the case, and I do not have a record of those conferences. I wish I had.

Senator BALL. So far as you remember, nobody ever told you specifically that part of your job was to see that this thing didn't cost more than it should, to fight to keep the costs down?

Major NOXON. I do not remember that that was the case, but it unquestionably was.

Acting Chairman HATCH. No one would have to tell you that, would they?

Major NOXON. Well, it would seem rather obvious, I should consider.

Acting Chairman HATCH. I should think so, too. The taxpayers of this country have no small interest in the way their money is being expended.

Senator BALL. I was wondering whether the Quartermaster General's office had any.

Acting Chairman HATCH. It might be called to their attention.

Major NOXON. Might I return to the matter of this 52,000,000 feet of lumber and the cubic capacity developed from that? As you know, on general construction 10 percent is always allowed for matching and waste. In other words, of the total purchase of 52,000,000 feet of lumber, it can conservatively be figured that at least 5,000,000 of that was for temporary purposes and did not go into those buildings, for the construction, for example, of scaffolding, for form lumber which is used and thrown away, and which is not part of the permanent building. If that deduction were made it would make some difference in the cubic foot cost.

Mr. FULTON. Yes; except for the fact that presumably carpenters were engaged in working on the scaffolding part, and also in cutting up the lumber which was waste, and consequently so far as lumber in place

is concerned, wouldn't it apply that only 13 feet, on the average, was actually put in place for 1 hour of work?

Major Noxon. The figures there are correct on that basis, dividing the 52 by the carpenter hours.

Mr. FULTON. Now, with respect to the figure that you got in the manual, that you used for a reference, wouldn't that include the amount the carpenter succeeded in putting in place, and exclude the amount that he had to waste by cutting and otherwise, in order to get it in place?

Major Noxon. That is a net figure. That is what he will place, a net figure that he will put on a roof. It has no relation whatsoever to the quantity of lumber ordered for a job.

Mr. FULTON. Yes; but he had to handle, in order to place 44 feet, more than 44 feet.

Major Noxon. Probably so, yes; because there would be waste.

Acting Chairman HATCH. Had you finished, Senator Ball?

Senator BALL. Yes, sir.

Acting Chairman HATCH. Senator Herring, do you want to ask the witness a question?

Senator HERRING. Not this witness.

Acting Chairman HATCH. Is there anything more you want to say?

Major Noxon. No, sir.

Acting Chairman HATCH. You may be excused.

(The witness, Major Noxon, was excused.)

TESTIMONY OF HERSCHEL G. WRAY, CHIEF ENGINEER, QUARTERMASTER CORPS, WAR DEPARTMENT

Acting Chairman HATCH. Will you state your name and official position?

Mr. WRAY. Herschel G. Wray.

Acting Chairman HATCH. And your official position?

Mr. WRAY. My official position is chief engineer, Quartermaster Corps, War Department.

Acting Chairman HATCH. Mr. Fulton.

Mr. FULTON. Mr. Wray, were you the immediate superior of Major Noxon, and if so, as to what particular functions and during what time?

Mr. WRAY. I was Major Noxon's immediate superior as supervising constructing quartermaster subsequent to October 5, 1940.

Mr. FULTON. And up until the present time?

Mr. WRAY. No; up until possibly the middle of March of this year.

Mr. FULTON. Would you state for the record, briefly, your prior experience, particularly with respect to engineering and construction work?

Mr. WRAY. Yes. I am a graduate civil engineer with a degree in engineering in 1913. Since that time I have been actively engaged in various types of engineering construction, say for 27 years, 10 years on railroad construction with the Pennsylvania Railroad, 3 years as assistant city engineer, city of Indianapolis, Ind., 7 years as city engineer of the city of South Bend, Ind. Subsequent to that time,

in various contracting work as principal owner of a company, and I have been engaged in various consulting work of various types of engineering.

Mr. FULTON. When did you first become connected with the War Department, in 1939 or 1940?

Mr. WRAY. 1940—September 17.

Mr. FULTON. And prior to that time had you had any opportunity or occasion to study camp construction?

Mr. WRAY. Not camp construction, but I had had experience as a contractor in building various types of construction such as low-cost housing, prefabricated housing.

Mr. FULTON. And by that do you mean the actual construction of the housing?

Mr. WRAY. Yes, sir; as a contractor, the actual construction.

Mr. FULTON. And how many units would be involved?

Mr. WRAY. Possibly less than a dozen.

Mr. FULTON. And now addressing ourselves particularly to the question of the location of the hospital, were you informed by Major Noxon, or by anyone else on behalf of the quartermaster's office in Fort Meade, that the hospital was to be located at a place where it would cost a great deal more from a construction and engineering standpoint to build it?

Mr. WRAY. I was not so informed until after construction was well under way.

Mr. FULTON. And about when would that be?

Mr. WRAY. Some time in the early part of December 1940.

Mr. FULTON. And with respect to the question of building additional housing, when there already was housing which was sufficient to take care of the part of the Twenty-ninth arriving in February, were you instructed or told that that would cost more money than if the existing housing should be used?

Mr. WRAY. That information was indirectly conveyed to me by notice from Major Noxon that such additional housing would be required and priorities were requested involving overtime work, especially on Saturday and Sunday, and I secured the authority for him to proceed on Saturday and Sunday work.

Mr. FULTON. Did you go into the question as to whether that should be taken up with the General Staff, to determine whether the overtime should be expended?

Mr. WRAY. No; that information was in the hands of higher authority, immediately higher authority, than myself.

Mr. FULTON. And who was that higher authority?

Mr. WRAY. That was Major Hastings, chief of the temporary housing and operation of plants.

Mr. FULTON. And had you personally taken it up with him?

Mr. WRAY. Yes, sir.

Mr. FULTON. In order to see whether you should permit the additional expense or should notify the staff?

Mr. WRAY. It was discussed along the line only of the question of permitting the overtime on Saturday and Sunday, which meant the bonus payments to the various crafts involved.

Mr. FULTON. And was Major Hastings informed that that cost would be considerably greater?

Mr. WRAY. Yes; he was given information as to the number in each trade that would be involved in overtime work, and, realizing the hours of work on Saturday and Sunday, it was very easy to determine the exact amount of overtime work involved.

Mr. FULTON. Do you know how much that estimate was at that time, as you then had it?

Mr. WRAY. I don't know exactly how much it was, but it has been said that it ran approximately \$200 a week end.

Mr. FULTON. A week end?

Mr. WRAY. Yes, sir; a week end, for Saturday and Sunday.

Acting Chairman HATCH. How much was that?

Mr. WRAY. About \$200,000 a week end. I am not reporting that, you understand, from a record, but I am reasonably sure that the contractor was asked at one time in my presence what this extra-premium labor cost would run, and I am sure that he reported to others that it would be approximately \$200,000 a week end.

(Senator Truman resumed the chair.)

The CHAIRMAN. How many weeks did that run?

Mr. WRAY. I would say 3, and possibly 4.

The CHAIRMAN. Between six and eight hundred thousand dollars, then?

Mr. WRAY. Yes, sir.

Mr. FULTON. And at that time did you know that there was housing available both from the standpoint of barracks and mess halls for more men than were then coming into the camp?

Mr. WRAY. I did.

Mr. FULTON. And did Major Hastings know that?

Mr. WRAY. He did.

The CHAIRMAN. Are there any questions? (None.)

That is all.

(The witness, Mr. Wray, was excused.)

The CHAIRMAN. Colonel Burgheim.

TESTIMONY OF LT. COL. JOSEPH H. BURGHEIM, ZONE CONSTRUCTING QUARTERMASTER, THIRD ZONE, WAR DEPARTMENT

The CHAIRMAN. Colonel, will you state your name, rank, and connection?

Colonel BURGHEIM. Joseph H. Burgheim, lieutenant colonel, Quartermaster Corps, zone constructing quartermaster for the third zone.

The CHAIRMAN. And what is that third zone?

Colonel BURGHEIM. The third zone is an agency that was set up by direction of the Secretary of War in December as one of nine construction zones.

The CHAIRMAN. Do they coincide with the corps areas?

Colonel BURGHEIM. Yes, sir; for the purposes of decentralizing supervision and control of construction in an effort to expedite the work in an efficient and economical manner.

Mr. FULTON. Colonel, would you have had any function in connection with the location of the hospital site?

Colonel BURGHEIM. No, sir.

Mr. FULTON. Would you have had any function in connection with the additional troop housing in February for the Twenty-ninth Division?

Colonel BURGHEIM. I might best answer that question by stating that the decision to organize these zones did not occur until December 27, and because of my station on the west coast my zone was not organized until about the 3d of February. Had it been organized prior to the date February 3, those matters would have been matters properly for me to decide.

Mr. FULTON. But the question of the hospital had been decided in October, long prior?

Colonel BURGHEIM. That hospital was already well under construction when we opened our zone office.

Mr. FULTON. And now with respect to the additional troop housing, did not at least a large part of that take place in February, or had the arrangements already been made?

Colonel BURGHEIM. Well, I don't understand the question of additional housing. To my mind, there was no additional housing provided.

Mr. FULTON. The question would be, then, do you differ with Major Noxon in his statement that there were available both barracks and mess halls for more troops than the Twenty-ninth brought in, in the early part of February?

Colonel BURGHEIM. No; I wouldn't differ with him. There were buildings that were sufficient to house that number of troops. But those buildings were consolidated into a locality in such a manner that proper military administration and training of those units was not feasible. They were concentrated in a very small area; the organizations that would have to occupy them would be intermingled with other units, which is a deterrent to good training, good administration, and they were located in such a manner that the troops would have to pass through a very congested area in order to arrive at their training grounds, which would be some distance from the point where this mass of troops would have to be housed.

In making that move, they would not only have that long distance to move, but they would be interfering with the construction progress, because the roads that were in existence were required for the movement of transportation, of materials, labor from one area to another, and they were already overcrowded. The weather conditions at that time of the year were such that it was difficult to move transportation as it was, without further jamming traffic, and while they could have been housed in that area, it would have increased the problems of construction as well as making difficult the problems of training.

Mr. FULTON. Wouldn't it be just as difficult to transport construction materials as it would be to transport troops?

Colonel BURGHEIM. Yes; it would be just as difficult, but you wouldn't have the same congestion. You would only have about one-half the amount of traffic on the roads if they weren't interfered with.

Mr. FULTON. Wouldn't you be increasing your construction congestion by increasing your priority requirements and switching men from one section to another?

Colonel BURGHEIM. No; because that actually wasn't the case. We didn't set up any new priorities, didn't establish any new buildings; there were no new areas built or added to the program. That is

simply a case of good planning, of taking labor that was working in one building today and designating another building for them to work in tomorrow.

Mr. FULTON. Is it your understanding that this had been planned out in advance that the areas as actually required to be completed in February were to be the ones that would be completed first?

Colonel BURGHEIM. Yes, sir.

Mr. FULTON. And you would disagree with the other witnesses on that, then?

Colonel BURGHEIM. I beg your pardon?

Mr. FULTON. You would disagree with the contractor who said he had not been so informed at the beginning of the contract at all?

Colonel BURGHEIM. I am not prepared to disagree with what the contractor testified to, because I didn't hear him.

Mr. FULTON. On the same point, it is your understanding that from the very beginning there was a priority schedule laid out indicating which buildings were to be finished first?

Colonel BURGHEIM. No; it was my understanding that the camp was to be finished on February 1.

Mr. FULTON. Oh, that is quite a different thing.

Colonel BURGHEIM. That is correct.

Mr. FULTON. And you wouldn't take the position that there had been, from the first, a plan which the contractor was informed of as to what buildings should be finished first?

Colonel BURGHEIM. I think he had in mind some orderly arrangement of developing his construction. I am certain that he did.

Mr. FULTON. If he did, it was because he made it and not because the Army gave him one.

Colonel BURGHEIM. That I am not in position to say, because I wasn't in the picture at that time.

Mr. FULTON. But I mean you don't disagree with Colonel Groves, who testified that there was no such plan, but who took the same position that you did, that the entire camp was to be finished on the 1st of February.

Colonel BURGHEIM. February 1, that's right.

Mr. FULTON. I have no other question.

The CHAIRMAN. Are there any questions? (None.) That is all, Colonel.

(The witness, Colonel Burgheim, was excused.)

Mr. FULTON. Colonel Flynn.

TESTIMONY OF COL. HENRY L. FLYNN, GENERAL STAFF CORPS, ASSISTANT CHIEF OF STAFF FOR OPERATIONS AND TRAINING, THIRD CORPS AREA

The CHAIRMAN. Colonel, will you state your rank and connection with the War Department?

Colonel FLYNN. Col. Henry L. Flynn, General Staff Corps, Assistant Chief of Staff for Operations and Training, Third Corps Area.

Mr. FULTON. Colonel, you have heard the questions with respect to troop housing for the Twenty-ninth Division in February of this year, have you not?

Colonel FLYNN. Yes, sir.

Mr. FULTON. Would you tell us what the Third Corps Area had planned from the standpoint of the general staff of the Third Corps Area?

Colonel FLYNN. Our plans had to alter from time to time, for the reason that the corps area commander was in the somewhat illogical position of having to recommend an induction date for the divisions in the corps area and to set that induction date at a time that would permit the divisions to go into their cantonments after a reasonably short period at the site of induction; and on the other hand he had no control over the construction of the cantonments; upon the completion or his estimated completion of which he had to base his recommendations of the induction date.

Originally the induction date as set by the War Department for both the Twenty-eighth and Twenty-ninth Divisions had been January 3, which later, in November, was set at January 6, and the corps area commander was asked for his recommendations as to whether or not that date, which was tentatively set by the War Department, could be complied with.

Mr. FULTON. That date which was tentatively set was 1 month before the camp was expected to be completed, was it not, because the camp was expected to be completed the 1st of February?

Colonel FLYNN. I judge that when the original date of January 6 was set it was contemplated or hoped that the completion date would be earlier than February. I believe originally they expected those camps—by originally I mean back in the fall—to be completed around January 15.

Mr. FULTON. And that was the information the corps area commander was acting on?

Colonel FLYNN. He was acting on—well, I am afraid I will have to have that question explained to me a little bit.

Mr. FULTON. I meant by that question that in September, when a contract was let to finish this camp as soon as expeditiously it was possible, what information did the corps area commander have then as to what troops would go into that camp, and when?

Colonel FLYNN. Well, he knew from the beginning—that is, the present corps area commander knew from the time of his arrival—what troops were slated for Meade, the Twenty-ninth Division and certain other smaller units; but in regard to the time that they would go in, there was nothing up to that time, no information given by the War Department, except this expectation that they would be able to put them into cantonments by the 15th of January. But in November he was asked to recommend a date at which he believed the division could be accommodated, and his estimate was that probably, from the rate at which the cantonments were then progressing, would be between the 1st and 15th of March.

Mr. FULTON. And then what took place?

Colonel FLYNN. Then the War Department announced—made a re-announcement—of tentative dates of induction, and the date set for the Twenty-ninth Division was February 3.

Mr. FULTON. So that with knowledge that the camp would not be completed until the 15th of March it was decided to start induction in February?

Colonel FLYNN. I wouldn't say "with knowledge." I would say that the War Department made its own investigation and probably decided that the corps area's estimate was, say, pessimistic. But in any case, the induction date as set was set at February 3.

Mr. FULTON. That was done, then, in November?

Colonel FLYNN. I have to—

Mr. FULTON. I thought you stated that.

Colonel FLYNN. I stated that the original opinion of the corps area commander was asked in November, but I have the date of the announcement. The announcement of February 3 as the induction date was made on January 15.

Mr. FULTON. So that it was January 15 that the corps area would first have known that the plan was to bring troops in in February, prior to the time when the corps area commander thought the camp would be finished?

Colonel FLYNN. I believe that between the time of his estimate and the time of that announcement he may have been consulted by the War Department and notified of February 3 as a tentative date.

Mr. FULTON. You mean, then, he would have known sometime before the 15th of January?

Colonel FLYNN. Before this official announcement.

Mr. FULTON. And did the corps area commander take the position that he should immediately instruct the contractor, or get the contractor instructed, to build more housing, or did he take the position that they would get along as best they could with what housing would be available?

Colonel FLYNN. He at no time undertook to give any instructions to the constructing quartermaster, who was in no way under his authority. He was directly under the Quartermaster General's office. He merely undertook to induct the division at the time set and then, as soon as was feasible, to put them into—

Mr. FULTON. Permanent housing?

Colonel FLYNN. Permanent housing.

Mr. FULTON. Then I take it since he did not immediately act to have the permanent quarters erected ahead of the time that he thought they would be erected, the corps area commander was satisfied to put them in temporary quarters and then move them into the permanent ones as soon as they were available.

Colonel FLYNN. Am I to understand by "temporary quarters" you mean to house them at their induction stations?

Mr. FULTON. To house them at the barracks and mess halls which were erected, rather than at the barracks and mess halls which each particular company might be located in.

Colonel FLYNN. No, at the time of which I am speaking the approximate date on which the induction date was set was for February 3. He simply assumed that it was still possible that the cantonment might be ready to take them within a reasonable time after February 3. It would be necessary, of course, to leave them at their induction stations for several days to complete the processes of induction, physical examinations, and so on.

Mr. FULTON. As I understand you, the corps area commander was of the opinion that they would not be completed until 6 weeks after the time when induction had been ordered, and if so, the question I

had in mind was if the corps area commander did not immediately see to it that they put on larger crews to complete the work as soon as possible without overtime. It must have been because he was satisfied to allow the troops to use whatever quarters would then be available. Is that a correct assumption?

Colonel FLYNN. Not entirely, because it assumes that the corps area commander remained of the same state of mind through January that he had been in in November. He accepted the possibility of a more rapid rate of construction than he had anticipated himself.

Mr. FULTON. Now I would like to distinguish between accepting the possibility and the question as to whether he had any estimate or whether he made any new estimate, on the basis of which he was of the opinion that the quarters would be finished in the early part of February. Was there any such estimate?

Colonel FLYNN. He, himself, visited Fort Meade at some date prior to early February, I can't state now the exact date, and I visited Fort Meade about that date, the idea being to keep in touch with the rate at which construction was actually progressing.

Mr. FULTON. Now, at Fort Meade at that time did you examine the buildings to find out which ones were completed and to find out which would be completed within the next week or 2 weeks?

Colonel FLYNN. Yes, sir.

Mr. FULTON. Then at that time you knew, I take it, that the buildings would not be completed?

Colonel FLYNN. We knew that they would not be completed in time to take the Twenty-ninth Division within what we regarded as a normal waiting period at the induction.

Mr. FULTON. So that at that time, at least, if not at an earlier time, you were of the opinion that one of two things had to follow, either that the troops would be housed in the facilities that were available for them, or that you should at once, which was not done, start to put on extra gangs to complete given buildings specified by you ahead of the time that the contractor was then planning to complete them.

Colonel FLYNN. No; there was another alternative which we partially actually accepted. That was to leave them at their points of induction for a longer time than we had at first contemplated would be necessary, and it was the opinion then that we would leave them at the induction points until they could be fed into the barracks as the barracks were constructed.

Mr. FULTON. That actually was not done, was it? Because instead of that we adopted the policy of building the additional barracks largely on overtime?

Colonel FLYNN. No, sir. There were no additional barracks constructed in order to bring this division in by any given date. It was simply that the brigade area, as I recollect now, the area for two infantry brigades was nearly completed. I am speaking now of the date on which I went out there, which was about the 4th of February, but there was practically nothing completed in the area for the artillery brigade, and the existing arrangements, in the case of existing plans called for a completion of the infantry brigade areas and certain special troop areas before the artillery brigade area was

touched; it was simply a question of ceasing work on these areas which are already large enough to contain the troops, that is the infantry brigade areas, and temporarily, I should say, cutting off work there and working instead on the artillery brigade.

Mr. FULTON. Now those areas which you say were large enough were in fact larger, were they not, by reason of the figures which Major Noxon has given us? They were sufficiently large to include the entire group coming from the Twenty-ninth?

Colonel FLYNN. The figure that Major Noxon gave you of ten thousand seven hundred something was for February 18. Practically the entire Twenty-ninth Division, with the exception of the artillery brigade and one regiment of infantry, was in Meade by February 18. Now on February—

Mr. FULTON (interposing). How many thousand men was that?

Colonel FLYNN. I would say, roughly, 9,000. No. How many in? I was talking about the whole division. I would say about between five and six thousand on that date.

Mr. FULTON. So that there were in Fort Meade at that time about half as many men as there were barracks and about a third as many men as there were mess halls?

Colonel FLYNN. That figure certainly wouldn't hold for messes, sir. Now I would like to go back to the 31st of January. On the 31st of January the construction was sufficient to house 5,796 enlisted men and to mess a somewhat smaller figure, to quarter and mess 40 officers.

Mr. FULTON. Then, Colonel, at that time there was available almost enough to take care of all of the men who were there on February 18?

Colonel FLYNN. If you crowded them all into existing shelter.

Mr. FULTON. And by crowding them into existing shelter you mean putting the same number of men in the buildings that the buildings were designed for?

Colonel FLYNN. I mean putting the same number of men in the sleeping quarters that the buildings were designed for, but I also mean superimposing messes, units upon one another. At the time we had facilities difficult to handle, due to the fact among the men going out under the privilege they had of going out at that time, of nearly all the cooks in both divisions. I mean that the men would have been so crowded together due to the superimposition of units on one another that training would have been sacrificed to far greater extent than it would be by keeping them in their cantonments until they could be put in part of the areas set apart for them.

Mr. FULTON. Colonel, might it not be a little good training to be able to superimpose units from time to time and for officers to find out how to do it?

Colonel FLYNN. It would be if that training were for contingencies that might be expected to repeat themselves.

Mr. FULTON. Wouldn't it on the actual field of war, from time to time, occur that you couldn't have a lay-out which would be what you might term the utopian one, of having so many men in this tent and so many in that one, from this division or from that company? Wouldn't it be quite possible in the theater of war that you would have to mix up your organizations a little bit?

Colonel FLYNN. There would be, since you are bringing it down to as general a statement as that, possible to mix up organizations; undoubtedly it would be.

Mr. FULTON. Wouldn't that be part of the training we are attempting to provide these officers with?

Colonel FLYNN. I don't see that the kind of mixing of organizations that might take place in the theater of operations would be very similar to the sort that would result here, where we put them in buildings where they would have sufficient sleeping accommodations, but where insufficient cooks for one company would be trying to cook for two, and where they couldn't get to their training grounds without going through a morass of mud—

Mr. FULTON (interposing). Let's see, Colonel. You don't mean that you wouldn't have enough cooks to man the cooking facilities that had been constructed, do you, because presumably you would have more cooks?

Colonel FLYNN. I mean you wouldn't have cooks enough for the men that would be in.

Mr. FULTON. It would be a matter of organization of the officers of the Twenty-ninth Division, which would be strained by the fact that perhaps two different companies or parts of two different companies would be in the same barracks or in the same mess hall.

Colonel FLYNN. Well, remember that circumstance would be repeated for every pair of companies in the division, and our decisions in the matter were based on this, that the whole point of this thing was to give the National Guard a year's training; that the end to be attained here was to give the National Guard a year's training; that the moment they were inducted, that training period started to run; and that they would be demobilized a year after that period did run; that we had to choose between two evils under the circumstances existing. We could either crowd them into these barracks—

Mr. FULTON (interposing). I rather dislike the term "crowd," because, as I understand it, there wouldn't be any more crowding in the barracks than there was before. Wouldn't this be the difference: Instead of 30 men occupying each of 2 barracks in part only and filling only part of the barracks, there would be 60 men in 1 barracks, but representing 2 different units, so that perhaps 1 would be in the second floor and 1 on the first floor, instead of each having their separate barracks? Isn't that what you mean by crowding?

Colonel FLYNN. That is what I mean. I don't mean that the men would be crowded in regard to their—

Mr. FULTON (interposing). The problem of organization, I take it, is the question of whether the officers of the Twenty-ninth Division could send men from one company over to occupy the second floor of a barracks that was to be assigned permanently to a different company; isn't that the problem you are talking about?

Colonel FLYNN. Yes; but the solution of that problem would be a great deal easier in the case of a division already assembled somewhere that was faced with a proposition like this, but remember that these divisions, the units of these divisions, single companies, were coming in from different distances by different means of transportation, and arriving at different times. There was a great deal of normal confusion in connection with this matter.

The CHAIRMAN. Colonel, how long does it take to shake a division down after it gets in and gets settled? They don't immediately get out on the field and commence to train, as soon as they get in these barracks; it takes them a week or two doesn't it, to get themselves adjusted and settled down before they even start to train?

Colonel FLYNN. I wouldn't say a week or two; just because of some shaking down of individuals that is going to take place at the induction sites, at the armories where they are inducted.

The CHAIRMAN. It seems to me that it wouldn't have injured their training one bit to have found some things that they in all likelihood will find if they get into actual warfare. I was a battery commander in the last war and I have doubled up many a time with another battery commander and infantry commander, and whoever else it was necessary, whenever necessary, and it seems to me it wouldn't hurt to double up a little for the purposes of training, and also to save the Government two or three million dollars while they were doing it.

Colonel FLYNN. We didn't say it cost the Government any two or three million dollars.

The CHAIRMAN. You don't think \$600,000 overtime in 2 weeks is an extra cost to the Government? You don't believe the location of this hospital and one or two other things have cost the Government \$1,000,000 and isn't an extra cost to the Government?

Colonel FLYNN. That is nothing to do with the location of the hospital, sir, nor has it anything to do with the additional construction. It merely meant taking men off one job in the infantry area and putting them on a job in the artillery, not additional construction.

The CHAIRMAN. Isn't that overtime or double time for at least 3 weeks, so the testimony here has shown it?

Mr. FULTON. Were you aware of the fact that there would have to be overtime?

Colonel FLYNN. Not from the procedure that I am describing, sir.

The CHAIRMAN. According to the estimate made here, \$600,000 is what that overtime cost, just for that purpose.

Colonel FLYNN. Well, that must be because they were trying to speed up to accommodate the whole division.

The CHAIRMAN. That is right, whether they were trying to speed this thing up, so they could put these fellows in the barracks where they belonged, although the barracks were big enough for twice as many as were actually going to be put in there?

Colonel FLYNN. There was no necessity for that; the only necessary thing was to take the men off work in the Infantry area and put them over in the Artillery without overtime or double time; simply change the site of the operation.

The CHAIRMAN. That is not what the construction quartermaster told us. Do you disagree with the plan?

Colonel FLYNN. I am not in a position to disagree with what the Constructing Quartermaster did, but what we intended to be done in order to accommodate this division.

The CHAIRMAN. Well, it seems to me that this division could have been housed and the construction could have gone on in orderly manner without increasing the cost. That is what is worrying me;

somebody has to pay for this and if this sort of procedure went on in all these camps we can see where the extra two or three hundred million dollars came in that General Somervell testified to before the House Appropriations Committee.

Colonel FLYNN. Well, I am in a position to state at what rate the division went in and why, but I am in no position to give any testimony in regard to where that should cause additional work, but only why it should cause a change in the site of work.

Mr. FULTON. Colonel Flynn, with respect to the Infantry quarters which you say were made larger when it was necessary, why was not the corps area commander taking the position that that switch to the artillery field should have been made long before it actually was made?

Colonel FLYNN. I should say that because at any time you could refer to as long before it was assumed the work was going to proceed at such a rate that the whole thing would be ready in time to take the division.

Mr. FULTON. And that assumption was in the face of the estimate made by the corps area commander that it was not proceeding at that rate, and that the camp would not be completed until the 15th of March, so I mean it was an assumption in the face of his own estimate, was it not?

Colonel FLYNN. His estimate of that date, the 1st to 15th of March, was made so much earlier than the period that we are now discussing that I don't think it could be considered as a continuing factor in determining.

Mr. FULTON. Then, Colonel Flynn, the only real question is this, did the corps area commander's office keep closely in touch with Fort Meade, with the progress of construction there, and did he keep the contractor closely informed as to which buildings would be needed first, and if not can you tell us why that wasn't done?

Colonel FLYNN. I can't say that any contacts were made with contractors. As I say, the corps area commander had no authority over the constructing quartermaster, who in turn employed the contractors.

Mr. FULTON. Well, first, Colonel Flynn, did the corps area commander keep a close estimate, advised from day to day, or week to week, as to what parts of the camp were actually being constructed, and then did he compare those with his needs as he knew them, revising it from day to day or week to week to make sure that construction was in the field and at the places where from an induction standpoint the corps area commander wanted it, and if not could you tell us why?

Colonel FLYNN. He kept an estimate which became closer in point of time, in shortness of periods of observation, as we approached this date of January 15. Up to that time it was not a question of trying to get the cantonment built by any definite date, but merely to watch the construction and announce a suitable date for the induction of the division. Once, however, the War Department had notified the corps area commander that the induction date was set at February 3, he then did keep close tabs on it.

Mr. FULTON. So that means that until January 15 or a period of 3 months or more after the contract was signed, the corps area com-

mander made no attempt whatever to participate in any plans for the construction of particular sections first, instead of allowing the contractor and the Quartermaster General to construct whatever they decided to construct?

Colonel FLYNN. He kept in contact with it.

Mr. FULTON. He kept in contact, but he didn't participate in the planning at all?

Colonel FLYNN. I should say not; I can't answer positively for him, but that is my impression; that up to that time his function, as he understood it, was to keep in touch with the rate of progress in order that he might designate an induction date to the divisions.

Mr. FULTON. So that originally it was decided that the induction date would depend on the completion of the camp and then in the middle of construction the policy was turned around and the construction was intended to comply with the induction date; is that right?

Colonel FLYNN. That was the effect. I wouldn't want to corroborate the statement the policy was turned around, whether that was consciously done or not.

Mr. FULTON. Wouldn't it have to be turned around?

Colonel FLYNN. That was the result.

Mr. FULTON. So that is changing policy in the middle of the construction. What else can it be, Colonel?

Colonel FLYNN. I don't see that it can be anything else, but I am just trying to make up my mind whose policy it was that was changed.

Mr. FULTON. Could you tell us that?

Colonel FLYNN. I can tell you it was not the corps area commander's because he was simply acted on by circumstances. His function was, as I say, to select an induction date, which in turn he was to select based on his estimate. Then an induction date was sprung on him by higher authority. Naturally his function then—

Mr. FULTON (interposing). At that point we have the corps area commander planning to hold them longer in induction centers and thus avoiding the necessity for having housing constructed speedily or otherwise than originally had been planned by the Quartermaster General's Corps?

Colonel FLYNN. If by "at that point" you mean the 15th of January, not quite that early, because although he made his inspections and the inspections of his staff office were more frequent from that time on, he did not immediately decide that the construction would not permit bringing in the entire division after a reasonable induction period.

Mr. FULTON. Well, Colonel, at that point you have his estimate, which is the only one you have as a concrete estimate that you can furnish us, that it wouldn't be finished until the 15th of March, but sometime between January 15 and around the early part of February the corps area commander concluded that it would be necessary to hold the troops longer in induction centers so as to permit the construction to go ahead the way it had been planned by the Quartermaster General's Corps; is that right?

Colonel FLYNN. Not quite. Between the 15th of January and the induction date set the corps area commander became naturally quite anxious as to whether or not it would be practical to get the

division—after what he would consider a reasonable time at the induction centers.

Mr. FULTON. What I was driving at, being so anxious, just what did he do at that time between the 15th of January and the 4th of February?

Colonel FLYNN. He had inspections made at brief intervals of conditions at Meade.

Mr. FULTON. And they confirmed him in the knowledge that the artillery field would not be ready by the early part of February, did they not?

Colonel FLYNN. Yes.

Mr. FULTON. So now what I had in mind is just what did he decide to do at that time when he knew that the artillery barracks and mess halls would not be ready by the early part of February, and I understood you to say he decided to hold the Nineteenth Division longer in the induction centers.

Colonel FLYNN. That was the eventual decision, but—

Mr. FULTON (interposing). In the meantime what did he do?

Colonel FLYNN. Well, it was based—I should say that the division commander was also becoming anxious around this period and he made frequent inspections, or at least inspections, of the conditions at Camp Meade.

Mr. FULTON. Now the division commander, I think, would be the next witness. What I had in mind was just what did the corps area commander decide to do during that period before he concluded to hold the troops longer in the induction centers?

Colonel FLYNN. He decided to permit the division commander to hold the troops at induction centers for what he would consider a reasonably extended period, reasonably extended over that originally intended, rather than put them into Meade before they could be put into the areas that were intended for them.

Mr. FULTON. And the corps area commander was the superior of the division commander, was he not?

Colonel FLYNN. That is correct.

Mr. FULTON. So when you say, "permit" you mean he decided to instruct that they be held longer in the induction centers, is that correct?

Colonel FLYNN. He didn't decide to instruct as to definite dates. When I use the term "permit" I mean he permitted him to select for his units the dates at which he considered the construction sufficiently advanced to put separate units in.

Mr. FULTON. So at that point we have the corps area commander deciding to solve this problem by keeping the troops longer in the induction centers instead of by trying to build in an expensive way the additional quarters?

Colonel FLYNN. Yes, sir.

Mr. FULTON. And so far as the corps area commander is concerned, did that decision of this continue to apply throughout?

Colonel FLYNN. Yes; it did apply throughout.

The CHAIRMAN. That is all.

**TESTIMONY OF MAJ. GEN. MILTON A. RECKORD, COMMANDER,
TWENTY-NINTH DIVISION, UNITED STATES ARMY**

The CHAIRMAN. You will state your name, rank, and connection with the camp at Meade.

General RECKORD. Gen. Milton A. Reckord, commanding the Twenty-ninth Division.

Mr. FULTON. General, will you tell us something of your military experience, briefly?

General RECKORD. I entered the World War as a major and succeeded to command of an infantry regiment and temporarily commanded the Fifty-seventh and Fifty-eighth Brigades during the World War. Following the war I returned to Maryland and was shortly afterward requested by Governor Ritchie to take command of the military department as the adjutant general, which position I have held until recently, when I was inducted into active Federal service. In addition to being the adjutant general, about 1922 I was made the line commander, commanding the Fifty-eighth Brigade, and in 1934, upon the death of the then division commander, succeeded to the command of the division.

Mr. FULTON. You have heard Colonel Flynn's testimony, have you not?

General RECKORD. Yes, sir; I have.

Mr. FULTON. Do you disagree with Colonel Flynn's testimony?

General RECKORD. To some extent I do.

Mr. FULTON. Would you tell us in what points you disagree?

MOVEMENT OF TROOPS TO FORT MEADE

General RECKORD. I am solely responsible for the fact that the troops moved from their home stations to Meade. I think Colonel Flynn more or less placed that responsibility on the corps area commander.

Mr. FULTON. You mean moved from the induction center to Fort Meade?

General RECKORD. Not induction center, the home stations. Troops of the National Guard were all inducted at their home stations in their local armories.

Mr. FULTON. And, as I understood Colonel Flynn, the corps area commander had taken the position that they could be left there until such time as construction had taken whatever time was necessary to finish the buildings that you deemed necessary; is that right?

General RECKORD. The only point that I want to clear up is that it was not the corps area commander who kept the troops there; but I refused to bring or to permit troops to be moved from home stations into camp until certain construction was ready.

Mr. FULTON. Of course, you didn't refuse to comply with an order, and, as I understood it, there was no such order given?

General RECKORD. There was no such order.

Mr. FULTON. You simply mean you initiated the policy rather than the corps area commander?

General RECKORD. That is correct.

Mr. FULTON. And he agreed with you?

General RECKORD. That is correct.

Mr. FULTON. Now, would you tell us whether you took the position that troops could not be housed in barracks or mess halls other than the ones that they were permanently to be assigned to?

General RECKORD. To some extent, I did, but I think I had better explain just the steps that were taken. Up until February 3 I had no authority whatever. But I did from time to time confer with the corps area commander and once or twice met him out at Fort Meade during the fall and then later when the corps area commander reported to command the Second Corps of the field army, into which I would go upon induction, I conferred with him. Also, from time to time I dropped in and observed the progress of the construction and conferred with the construction quartermaster at Fort Meade, Major Noxon, as to progress.

Mr. FULTON. Have you prepared any statement for the use of the quartermaster or the contractor as to what buildings were considered to be essential around the first part of September or October, when you first knew that your division would be placed at Fort Meade?

General RECKORD. No; I hadn't any authority and I did not do any such thing.

Mr. FULTON. Did you as—

General RECKORD (interposing). If you will let me answer in my own way I can give it to you much clearer.

The CHAIRMAN. Proceed, General.

General RECKORD. In the late fall, about December 1, when I was told by practically everyone that it was expected the camp would be ready for us on January 8, I think it was—

Mr. FULTON (interposing). This was late December?

General RECKORD. No; this was early December, probably the latter part of November. At that time we were going on the assumption that we would be inducted on January 3 and there would be sufficient housing and messing facilities for the peace strength of the division by January 8. Not until that time did I have any intimation that the housing and the messing facilities would not be in the respective regimental areas. So, about the middle of December, when the new corps commander arrived, I conferred with him and pointed out that I thought the construction should be so arranged that each regiment could go into its own area when it arrived from home station.

Mr. FULTON. Wouldn't that mean at that point, then, that the whole camp would have to be done on the 8th?

General RECKORD. No; and your question—I think the question you asked Colonel Flynn indicates that you, in my humble opinion, have the wrong slant on the thing.

The CHAIRMAN. That is what we are trying to get, the right slant.

General RECKORD. Let me follow my own thought and I will come back to this. About December 15, after I conferred with General Pratt, the new corps commander, to differentiate between corps and corps area, he must have done or said something, because from that time on there was a very definite thought and effort on the part of those who were constructing or supervising the work to do that very thing, to have ready for us when we came in sufficient facilities in the respective areas. Now, a little later, between Christmas and New Year's, three or four of us went out, and we all agreed that the camp could not be ready, and later I came over here and conferred with, I think it was G-4, General Reybold, and then it was estimated the camp could be

ready for use by February 3. Others had said January 18, but General Reybold and I figured we had better have a leeway of 2 weeks. So we tentatively set the date at February 3, and that is the date which was finally determined upon.

Now, General Grant's position has been very definite throughout the entire period of time. He told me definitely that he didn't feel that the camp would be completed before March 15, and he was right; but we didn't need a completed camp, and if you will take the figures that I have heard discussed here this morning—take the date February 18 and the figures 10,700. On February 18, between February 18 and 21, we brought the entire division in, plus a tank and antitank battalion.

Mr. FULTON. How many men was that?

General RECKORD. Total of 9,800. Now, the difference between 9,800 and 10,700 is very small.

Mr. FULTON. That is on barracks, as distinct from mess halls?

General RECKORD. I couldn't possibly account for any such figure as I heard the chairman use a moment ago. In other words, the fact is—and I brought a little sketch of the area so that the committee, if they are interested, might see it. If you will keep it oriented just as I have handed it to you—there is another copy; if the chairman will take a copy—you will note down on what is the right-hand corner there are two small areas. Those areas were built for the medical regiment and the quartermaster regiment; where up in the central part of this sketch are the larger or Infantry regiments. Now, the quartermaster regiment and the medical regiment areas were almost completed. One Infantry regimental area was practically completed; and in another Infantry area there were 18 barracks completed; in another one, 37; and in a final one, 18 barracks; so that difference can't be accounted for by a small difference between 9,800 and 10,700—only 900 men. So that doesn't account for this enormous additional cost. It isn't possible for it to do so.

The CHAIRMAN. We are informed by the contractor and by the constructing quartermaster that there was housing enough there on February 3, or previous to February 3, for that matter, to take care of 9,800 men.

General RECKORD. I don't think that is true, Senator.

The CHAIRMAN. But when they went to move in they were informed that the men would not be sent to any place except where they were going to be permanently housed; they didn't want to make a second move, and for that reason the Government had to spend \$600,000 over-time.

General RECKORD. That is positively an incorrect statement.

The CHAIRMAN. The record shows that.

General RECKORD. I am contradicting it, and we will let the record show that.

(The witness handed the committee copies of a special map, Fort George G. Meade, Md., subsequently admitted to the record as Exhibit No. 47.)

General RECKORD. If you will take this area I am pointing out to you there, the third from the right, which is the first regimental area; now go down; you see the one that sets off there—comes out? That area was not nearly completed. This, probably one-third of the area, was completed, but the area next to it was almost completed; and to indicate why I contradict whoever gave the other testimony, I want

to say that those two regiments were by my order placed in buildings and in kitchens which they do not now occupy. That is because that was one brigade, and I crowded that brigade practically into one regimental area. I had to do it.

The CHAIRMAN. That wouldn't hurt them for a short time?

General RECKORD. Of course, it didn't hurt them; and in like manner, if you come farther up, the next area was almost completed.

The CHAIRMAN. One Hundred and Sixteenth Infantry area?

General RECKORD. The One Hundred and Sixteenth area was almost completed, and therefore I authorized that brigade commander to crowd his people in; but by the time I permitted them to leave Virginia and come to camp, enough buildings in the One Hundred and Seventy-sixth area had been completed, so that the One Hundred and Seventy-sixth did not have to crowd in with the One Hundred and Sixteenth. But by the time the signal company arrived, their barracks were not completed; they are up in the special troops area. They were not completed, and I had to crowd them into the One Hundred and Seventy-sixth area. In like manner, up in the upper corner here, is the Artillery brigade. The construction there was quite behind-time, and we were prepared in the One Hundred and Seventy-sixth to take care of one battalion of the Virginia Artillery; but rather than do that, we crowded the three Artillery regiments into any barracks in that entire area, and they were that way until the barracks in their respective areas were completed.

So I am at a loss to understand why anyone has the idea that the few barracks necessary, or that were over above our needs on February 18, would account for very much of the extra cost.

The CHAIRMAN. The contractor informed us that the extra overtime that he had to put in, in order to get ready after he was informed that the whole division was coming in, so as to put everybody where he belonged, amounted to a tremendous sum. The construction quartermaster just now testified it was \$200,000 a week for at least 3 weeks, and maybe 4 weeks, so it comes somewhere between six and eight hundred thousand dollars.

General RECKORD. Senator, maybe we have overlooked the hospital, because they had to do a lot of work on the hospital.

The CHAIRMAN. That is entirely possible, that the hospital is included in the estimate.

General RECKORD. I positively refused to order the troops to Meade except the first approximately 1,000—and I took a chance on those because there is a small post hospital there—but I positively refused to order more than 1,500 of the entire strength of the division until we had at least 200 beds in the hospital, and I did that to protect the health of the troops.

The CHAIRMAN. I don't blame you for that.

General RECKORD. That may have been a contributing factor and may be a very large one.

The CHAIRMAN. Tell us something about the facilities for training at Meade? Can you train the division there satisfactorily?

General RECKORD. Not when we are ready for division training; there isn't enough acreage. You see, the total acreage at Meade now, with that which has recently been purchased, is only a little under 15,000 acres. By the time you stretch out a regimental combat team

or two regimental combat teams side by side, you are going to use all the area that is available.

The CHAIRMAN. Then you have no place to maneuver?

General RECKORD. To maneuver the division? No, sir.

The CHAIRMAN. Too, have you any Artillery range there?

General RECKORD. No, sir; but that doesn't hurt us very much, because at this very moment one of my Seventy-fifth Artillery battalions rolled out of Meade yesterday for Indiantown Gap, and they will stay there until they finish their firing, and I consider that very good training for them.

The CHAIRMAN. They should move, but have you small-arms facilities?

General RECKORD. Yes, sir; we have what I consider excellent small-arms facilities. We have 177 targets at 200, 300, 400, and 500; 100 machine-gun targets and tracks; and 100 pistol targets, which is ample for the needs of the division.

The CHAIRMAN. General, would there have been any serious interference with the training facilities of the area if the hospital, instead of being located in the area where it is, had been located close to the air field, over there just north of the permanent post?

General RECKORD. Senator, I don't want at this late date to inject myself into this picture any more than to answer your question.

The CHAIRMAN. I am asking you the question.

General RECKORD. I do think a better location could have been found for the hospital, but I don't think it should have been placed right in the middle of the camp next to the air field. I have felt ever since I have been out there and able to look around that a location nearer the railway tracks would have been better, because it would at least have cost less to run the sewage and water lines, and less to haul coal, which runs up to about 50 tons a day in the cold weather of the winter.

The CHAIRMAN. So the first cost of the hospital is not going to be the last one, by any means; it is added to because of its location in that area.

General RECKORD. Of course, there may be some engineering difficulties there which I haven't seen, because I have run no lines, but I am frank to say that I do think the hospital could, with profit to everyone, have been placed down off of that sketch along the railway track, but there again I am not qualified to say whether the sewage lines would have had the necessary fall.

Mr. FULTON. With respect to Indiantown Gap, where does the Artillery stay there, in tents, when they go out?

General RECKORD. They are in tents or barracks provided by the Twenty-eighth. We are all well known to one another and perfectly willing to give and take, and General Martin and General Wood have agreed with my Brigadier General Sands and with me that they would work matters out so that there would be no interference with their training program, and that we could fit into that, which we are now doing.

Mr. FULTON. What I had in mind, do we have barrack space in Indiantown Gap which is used by the Artillery of your division?

General RECKORD. Mr. Fulton, I can't answer that definitely, because I sent the brigade commander, General Sands, up there to make

all the arrangements; he came back and told me that he had made splendid and most satisfactory arrangements, and I then ordered the brigade by battalions to go up, and the First Battalion left yesterday morning.

Mr. FULTON. My only purpose in asking the question was to develop whether by reason of Meade not having an Artillery range we, in effect, had to house the Artillery, or part of it, twice?

General RECKORD. No.

Mr. FULTON. Once at Meade and once at Indiantown Gap.

General RECKORD. No, sir; nothing like that.

The CHAIRMAN. That is all, General. The map which you submitted for the committee's perusal may be admitted to the record.

(The illustration referred to was marked "Exhibit No. 47" and is included in the appendix on p. 692.)

The CHAIRMAN. General Grant, will you state your rank in connection with the Army and the Third Corps Area?

TESTIMONY OF MAJ. GEN. WALTER S. GRANT, COMMANDER, THIRD CORPS AREA, UNITED STATES ARMY

The CHAIRMAN. General, there has been some discussion before this committee as to the responsibility for setting the date for a movement into Camp Meade. Whose responsibility was that?

General GRANT. The War Department's.

The CHAIRMAN. On whose recommendation?

General GRANT. On the recommendation of the corps area commander.

The CHAIRMAN. And from whom did he get his recommendations?

General GRANT. The corps area commander.

The CHAIRMAN. And from whom did he get his recommendations?

General GRANT. From himself.

The CHAIRMAN. He was the final one responsible for making the recommendation for the time to move in?

General GRANT. Yes.

The CHAIRMAN. On what did you base the date of February 3?

General GRANT. I based that on these facts. Originally I made an inspection there and had come to the conclusion that they wouldn't be ready, reasonably ready, until about March 1 to 15. Later I went out and made an inspection and felt that things were a little bit slow, but about that time I got a message from the War Department asking whether February 3 would be a suitable induction date for the division. I knew that the division had had two tentative dates set, one in January, one in February. I knew, or had been informed, that they had more or less made their plans to go in on the 3d. And I based the disadvantages of having them go in before things were entirely ready against the disadvantages of having them again deferred. I looked over the camp, talked it over with my staff, and finally told the War Department that that induction date, based also on the recommendation of Major Noxon, would be satisfactory, except that there would probably have to be improvisation of hospital facilities, improvisation of barrack facilities, and that the grounds and grading would be bad.

I added to that telegram that I thought that the conditions that arose, the unfortunate conditions that arose, might be met as they occurred.

The CHAIRMAN. This committee has been informed that there was on February 3 enough housing available in the division area to have housed the division.

General GRANT. May I refer to my notes?

The CHAIRMAN. Certainly. We were also informed by the constructing quartermaster and by the contractor building the camp, that it was necessary to put on a lot of extra help and a lot of overtime in order to meet a situation which then developed, which was that the commanding general of the division did not want to move his troops into a temporary area but wanted to move each regiment and company and battery into the places where they were supposed to go.

General GRANT. Well, we talked that over and I told him that within limits I approved that. If I may consult these notes a moment in regard to the persons that were—General Reckord sent a telegram to the First Army, entirely proper, and the staff officer of the First Army called up Colonel Flynn and informed me about it, and I said to Colonel Flynn, in your telephone reply to Colonel Williams in connection with the attached telegram, you might inform him somewhat as follows:

“The statement in the telegram,” the statement in General Reckord’s telegram, “is a little sweeping; as under date of January 31 the then post commander, Col. G. M. Allen, made report as follows:”

I am sorry, Senator, to delay you, but there is a certain paragraph very vital to the issue right here.

The CHAIRMAN. That is all right.

General GRANT. Here it is:

It will be noted that at the present time—

And this is dated January 31—

we able to house 5,796 enlisted men, to mess 5,270 enlisted men, and to quarter and mess 40 officers in the Twenty-ninth Division cantonment area. These buildings are all located in the area set aside for the division quartermaster regiment, and the Second Infantry Brigade areas.

Then I go on to Colonel Flynn as to the telephone message that he will send:

It will be noted that the buildings reported available on January 31 are all located in the area set aside for the division quartermaster regiment, and the Second Infantry Brigade areas. It is known that General Reckord does not desire to put units into buildings pending the construction of their own, which would involve a move, but would prefer to wait until he can send them to the buildings that they would permanently occupy, and if the delay is not too great this seems reasonable.

The hospital facilities are a bottleneck, but Colonel Allen and General Reckord both have been informed that pending completion of successive cantonments, hospital wards, and so forth, the post hospital facilities can be used, ward space being increased by having some of the brick barracks vacated and occupants put into tent camp temporarily.

The whole matter was discussed by the corps area commander, and General Reckord, on February 3, and in view of all angles of the situation the corps-area commander authorized General Reckord to send the troops into Fort Meade gradually and authorized him to keep units in armories for 2 weeks, or even longer, if the conditions at Meade required it.

In the opinion of the corps-area commander the maximum time of 2 weeks given in General Reckord’s telegram to General Drum is somewhat optimistic. In the opinion of the corps-area commander some organizations may have to be delayed longer than 2 weeks.

I read that all, but it contains the paragraph which referred to the accommodations which were available on the 31st of January. Col-

Colonel Flynn calls my attention to this memorandum of February 6, 3 days after induction, in which Colonel Allen submits the following figures as to the total construction completed, that States in the Twenty-ninth Division area enlisted men had shelter for 6,174, mess facilities for 6,630, officers' shelter for 240, mess facilities for 149.

Mr. FULTON. In connection with the Twenty-ninth Division area, do you mean that would exclude any figures for any other area other than the one the Twenty-ninth Division was to occupy?

General GRANT. There is another paragraph that might bear on that, because it refers to other units than the Twenty-ninth Division. "On arrival of advance liaison officers of such companies of the One Hundred and Ninety-first Tank Battalion as cannot remain at armories Colonel Allen will offer the alternatives of quarters in boarded, heated tents with permanent mess halls and latrines, quartering in permanent mess halls," as I referred to the Twenty-ninth Division area.

The CHAIRMAN. That is all, General. Major Noxon.

TESTIMONY OF MAJ. JAMES NOXON, CONSTRUCTION QUARTERMASTER, FORT GEORGE G. MEADE, MD.—Resumed

Mr. FULTON. Major Noxon, I have back in my mind a recollection of a figure of 13,000 as being the housing facilities. Did you ever furnish me with such a figure or is that an inaccurate memory?

Major NOXON. I have a record in my graphs here that on February 21 there were 12,663, total barracks capacity; the 21st should be a Saturday or possibly a Friday.

Mr. FULTON. Now, with respect to this overtime and this additional expense that we have been talking about, did that take place before or after the 18th of February?

Major NOXON. I have been looking through my records for the curve showing our overtime, and I am sorry to say I do not have it with me, but—

Mr. FULTON (interposing). I was just talking about the expense to get the barracks ready. Did that take place 3 weeks before the 18th, as I would rather assume from General Reckord's position, or after?

Major NOXON. It was during that time. In other words, on the 21st of February, without having my records here; I still state that we worked that Sunday, for example.

Mr. FULTON. The 22d?

Major NOXON. The 22d, I think it was full crew.

Mr. FULTON. And how about the next Sunday?

Major NOXON. I am not sure. If I had that graph, I could tell you.

Mr. FULTON. Would you try to get the information on when the overtime was expended, as to which week, because I would like to know whether it was before or after the 18th of February.

Major NOXON. Yes; I can give you that.¹

The CHAIRMAN. That is all, Major.

¹ Subsequently furnished, see appendix facing p. 712.

TESTIMONY OF R. C. MARSHALL, JR., CONSULTING ENGINEER,
MARTINIQUE HOTEL, WASHINGTON, D. C.

The CHAIRMAN. Will you state for the record your name and connection with the contractor of Fort Meade?

Mr. MARSHALL. R. C. Marshall, Martinique Hotel, Washington, D. C. I was a consulting engineer for the contractor, the Consolidated Engineering Co., prior to their going to work at Camp Meade.

Mr. FULTON. Mr. Marshall, were you ever connected with the United States Army?

Mr. MARSHALL. Between 19 and 20 years.

Mr. FULTON. And did you ever hold the post of Chief of the Construction Division?

Mr. MARSHALL. Yes, sir.

Mr. FULTON. So that you once held the post that would be comparable to the one that General Somervell now holds?

Mr. MARSHALL. Yes, sir.

Mr. FULTON. Although at that time it was in the Engineering Corps instead of the Quartermaster General Corps?

Mr. MARSHALL. No, sir.

Mr. FULTON. Was it in the Quartermaster's Corps?

Mr. MARSHALL. It was an independent organization under the Assistant Secretary of War's office.

Mr. FULTON. But the same post in general that General Somervell now holds?

Mr. MARSHALL. Yes, sir.

Mr. FULTON. And when did you retire from the Army?

Mr. MARSHALL. I resigned in 1920 after having served in the Army for a little over 19 years.

Mr. FULTON. Was General Hartmann the Chief of the Construction Division at the time that the Fort Meade contract was given to the Consolidated Engineering Co.?

Mr. MARSHALL. Yes, sir.

Mr. FULTON. And had he ever been your subordinate?

Mr. MARSHALL. Yes, sir.

Mr. FULTON. At the time that you were Chief of the Construction?

Mr. MARSHALL. He was.

SERVICES RENDERED ENGINEERING FIMRS BY R. C. MARSHALL, JR.

Mr. FULTON. Would you produce for the committee the contract that you entered into with the Consolidated Engineering Co.?

Mr. MARSHALL. No, sir.

Mr. FULTON. Why not?

Mr. MARSHALL. I haven't got it.

Mr. FULTON. What happened to it?

Mr. MARSHALL. I destroyed it.

Mr. FULTON. When did you destroy it?

Mr. MARSHALL. I destroyed it. Do you want me to tell you the story of it?

Mr. FULTON. First, when did you destroy it?

Mr. MARSHALL. I can't give you the date, but it was the date that Mr. Stalfort told me that he would be required to sign the affidavit with respect to getting that work, and he asked me if I would not cancel the contract. I said, "I will and do, and I think the best thing we can do is to destroy it."

Mr. FULTON. So you suggested destroying the contract?

Mr. MARSHALL. Yes, sir.

Mr. FULTON. And did you yourself destroy it?

Mr. MARSHALL. Yes, sir.

Mr. FULTON. How?

Mr. MARSHALL. I tore it up and threw it in the waste paper basket.

Mr. FULTON. Do you have a copy of it?

Mr. MARSHALL. No, sir.

Mr. FULTON. Do you have your correspondence with the Consolidated Engineering?

Mr. MARSHALL. I had very little correspondence or none. I was through and destroyed all files in my office with respect to it.

The CHAIRMAN. What other contracting firms have you represented for the same purpose, Mr. Marshall?

Mr. MARSHALL. Well, I have represented contractors and others for over 20 years.

The CHAIRMAN. I mean in the last year and a half.

Mr. MARSHALL. The last year and a half I have represented the Mason & Hanger Construction Co., New York.

The CHAIRMAN. Did they get a contract in this defense program?

Mr. MARSHALL. They got a contract in December.

The CHAIRMAN. And what others?

Mr. MARSHALL. Sir?

The CHAIRMAN. What other contractors did you represent?

Mr. MARSHALL. The Dunn and Hodgson Construction Companies; Dunn is from Birmingham; Hodgson from Montgomery, Ala.

The CHAIRMAN. Did they get a contract under this program?

Mr. MARSHALL. But they engaged my services after they got the contract.

The CHAIRMAN. What other contractors did you represent?

Mr. MARSHALL. J. A. Jones Construction Co. of Charlotte, N. C.

The CHAIRMAN. Did they get a contract under this program?

Mr. MARSHALL. I was working with them considerably in the time antedating the time of the starting of the present emergency.

The CHAIRMAN. Did you destroy the contracts with those contracting firms as you did the one with Mr. Stalfort?

Mr. MARSHALL. No, sir.

The CHAIRMAN. You could produce them if we need them for the record?

Mr. MARSHALL. I have no contract with Dunn and Hodgson. I have with Jones and Mason & Hanger; I have it here.

Mr. FULTON. I understand that you have brought with you your correspondence and contracts with respect to any companies who have used your services and who have also had or sought to obtain contracts with the Government?

Mr. MARSHALL. What?

Mr. FULTON. Who had or sought to obtain contracts with the Government.

Mr. MARSHALL. In every agreement I had beginning with last June, and those with whom I was then working in June, I specifically made it a part of our agreement that I would not solicit for them in any respect with respect to getting a contract, but I would be purely—

Mr. FULTON (interposing). Except the Stalfort contract?

Mr. MARSHALL. I did not solicit anything about the Stalfort.

Mr. FULTON. Do you agree or disagree with him as to his statement that you were to be paid a bonus on any work you might be helpful in securing?

Mr. MARSHALL. I don't disagree with that, no; I agree with it.

Mr. FULTON. Then you were paid for soliciting?

Mr. MARSHALL. No, sir.

Mr. FULTON. How can you secure work without soliciting?

Mr. MARSHALL. Well, I consulted with him as to his procedure and told him what I thought he should do, and that is what I did. I consulted with him repeatedly with respect to what he was doing. I helped him to redraft his papers for submission and I consulted with him freely as to where he should go and what he should do, but I would go nowhere for him.

Mr. FULTON. Let's take this up, then, step by step. The War Department has furnished us with a copy of the affidavit¹ which I believe is the one that you referred to?

Mr. MARSHALL. That is right.

Mr. FULTON. Would you look at that and tell me whether that is the affidavit that you referred to which caused you to recommend the destruction of your contract?

Mr. MARSHALL. Yes; I will agree this is the affidavit.

Mr. FULTON. And do you recall that the fixed fee contract itself, of which this is a copy, has a covenant in it to the effect that the contractor warrants that he has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee? Is not that correct?

Mr. MARSHALL. Yes; I am very familiar with it; it has been in most Government contracts for quite a number of years.

Mr. FULTON. Now, Mr. Stalfort said that your bonus was to be on any work that you might be helpful in securing and that is the exact word that is used in that covenant, solicit or secure, is it not?

Mr. MARSHALL. Well, I did neither.

Mr. FULTON. But is not that the word in the contract, "solicit or secure"?

Mr. MARSHALL. Yes; "solicit or secure" in this contract.

Mr. FULTON. And the only difference between the affidavit and the standard form of Government warrant is that it says "for soliciting or assisting in any manner whatsoever," isn't that right?

Mr. MARSHALL. Well, I think the covenant against contingent fees also has this, "that this warranty shall not apply to commissions payable upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the architect, engineer, for the purpose of securing business."

¹ Not included in the record—an affidavit required by the War Department to be signed by an officer, or duly authorized agent thereof, of firms awarded defense contracts.

Mr. FULTON. Now you had been retained when by the Consolidated Engineering?

Mr. MARSHALL. The latter part of July is my recollection.

Mr. FULTON. At the beginning of the defense program?

Mr. MARSHALL. Yes.

Mr. FULTON. And were you ever retained by them for work in connection with anything other than a Government contract?

Mr. MARSHALL. Our agreement was for all work that they might do whether it were commercial or Government.

Mr. FULTON. You misunderstood me; I mean were you ever retained by them at any other time in connection with any other business?

Mr. MARSHALL. No.

Mr. FULTON. And the affidavit here does not contain any reference to securing but it does contain a covenant that there is no assisting in any manner whatsoever, isn't that right? No contract by which a commission would be paid for assisting them, and am I correct in understanding that you believed that that affidavit could not truthfully be signed if your contract continued in existence?

Mr. MARSHALL. No.

Mr. FULTON. Then why was it necessary to destroy the contract in order to sign the affidavit?

Mr. MARSHALL. Stalfort felt that our relationship should cease. He felt that he could not get the contract unless that relationship did cease, and naturally I was not going to stand in the way of his getting a contract.

Mr. FULTON. But it was not Mr. Stalfort who suggested that the contract be burned or destroyed, and I am asking why you concluded that the contract had to be destroyed in order to permit him to sign that affidavit?

Mr. MARSHALL. Well, I didn't—

Mr. FULTON. Then why did you destroy the contract if it wasn't necessary?

Mr. MARSHALL. We were through and I thought it best to do it.

Mr. FULTON. You consider that good business practice to destroy contracts?

Mr. MARSHALL. Yes; I do.

Mr. FULTON. You have adopted that in the past, have you?

Mr. MARSHALL. Not uniformly, but almost uniformly.

Mr. FULTON. Would you tell us the contracts that you have destroyed in addition to the contract that you had in this case?

Mr. MARSHALL. Well, I would have to go back over a good many years to do that.

Mr. FULTON. Would you mention the contracts that you have destroyed that you have no record of?

Mr. MARSHALL. One, Evans-Parsons Co. of Detroit.

Mr. FULTON. What was that for?

Mr. MARSHALL. I was with them for several years in trying to develop a road stop for automobiles which was called the Autostop.

Mr. FULTON. And why did you destroy their contract?

Mr. MARSHALL. I was through; our relationship quit. Every year I go through my files and try to throw away everything that is no longer pertinent.

Mr. FULTON. And you do that every year?

Mr. MARSHALL. Well, periodically; I won't say definitely on the 1st of January every year, but periodically.

Mr. FULTON. Did you destroy any paper in the last week?

Mr. MARSHALL. No; I haven't destroyed anything in the last week.

Mr. FULTON. And what contract other than this Detroit contract?

Mr. MARSHALL. I destroyed some after I knew of the appointment of this committee. I have a very vivid recollection of the Graham committee¹ which came in after the World War and I just made up my mind that the less records I had the better off I would be, so when this committee was appointed I destroyed them.

Mr. FULTON. You are the best judge of that.

Mr. MARSHALL. I hope I am.

The CHAIRMAN. Did you have an idea there was something about this contract that might cause this committee to want to look at it?

Mr. MARSHALL. Yes; I thought perhaps there would be.

Mr. FULTON. Is that the reason you destroyed them?

Mr. MARSHALL. No; that was perhaps part of the reason.

Mr. FULTON. Will you tell me as nearly as you can and as exactly as you can, using whatever words you can from your memory, what was in the contract which you destroyed with the Stalfort organization?

Mr. MARSHALL. The contract was on the basis of whatever construction work they might get and that they would pay me a percentage of their fee or earnings, based upon a certain schedule.

Mr. FULTON. And what was the percentage?

Mr. MARSHALL. The percentage ran I think from 7½ to 11 percent, I think, depending upon the size of the contract.

Mr. FULTON. And what would be the initial figure? Seven and one-half would be on the largest contract or the smallest?

Mr. MARSHALL. Smallest.

Mr. FULTON. And 11 percent on the largest?

Mr. MARSHALL. Yes, sir.

Mr. FULTON. So that the larger the contract the larger the percentage of fee?

Mr. MARSHALL. That is right.

Mr. FULTON. And in the case of the \$9,000,000 contract, what percentage fee would have applied?

Mr. MARSHALL. My guess would be around 10 percent; that would be my guess.

Mr. FULTON. You had expectations of receiving that at the time that the Fort Meade contract was under discussion?

Mr. MARSHALL. That is right.

Mr. FULTON. So your guess ought to be quite accurate?

Mr. MARSHALL. That is right.

Mr. FULTON. And it would be 10 percent of \$226,000?

Mr. MARSHALL. I assume that is a correct figure.

Mr. FULTON. Plus 10 percent of any extra fee which they might obtain by reason of additions to the contract?

Mr. MARSHALL. That is right.

Mr. FULTON. And under the extra fees which they anticipate they may ask for that would be a commission to you of about \$27,500?

¹ House of Representatives Select Committee on War Expenditures.

Mr. MARSHALL. I just don't know what those figures are; I am perfectly willing to assume they are correct.

Mr. FULTON. I believe you have the contract there. Would you look at the second page and read me the fixed fee that is referred to there?

Mr. MARSHALL. This isn't that contract.

Mr. FULTON. You had no connection with the Greiner Co., had you?

Mr. MARSHALL. No.

Mr. FULTON. Was there any other provision in that contract other than the simple schedule of fees? There must have been a provision with respect to what work should be done. How was that phrased?

Mr. MARSHALL. That I was to consult with them and advise them with respect to anything that they wanted consultation and advice on in any of their work.

Mr. FULTON. And anything else?

Mr. MARSHALL. I think not; it wasn't very long; it was perhaps two-thirds of a page or less.

Mr. FULTON. Two-thirds of a page or less?

Mr. MARSHALL. I think so.

Mr. FULTON. And who had contact with the other first? Had you contacted them first, or had they contacted you?

Mr. MARSHALL. No; as a matter of fact I told him I thought there was no necessity of his having me, that he ought to be able to do as good by himself as he could if I were to tell him what to do.

Mr. FULTON. My question related to which one first approached the other.

Mr. MARSHALL. He approached me. I have not approached a single contractor or anybody else in connection with this emergency work. All those have come to me and a great many others.

Mr. FULTON. Do you do any advertising or send out circulars?

Mr. MARSHALL. Not a speak.

Mr. FULTON. Did you send out any circulars?

Mr. MARSHALL. No, sir.

Mr. FULTON. Did you write any letters to contractors other than those who had approached you first?

Mr. MARSHALL. You mean seeking work; no.

Mr. FULTON. Or noting the character of your service?

Mr. MARSHALL. No.

Mr. FULTON. And what exactly was the type of service that you performed, using the Consolidated Engineering as an example? What did you do for them?

Mr. MARSHALL. Well, we discussed a number of things in connection with their work, discussed a number of things in connection with the work they had under way at that time.

Mr. FULTON. Now, by "we" you mean you and Mr. Stalfort?

Mr. MARSHALL. Yes.

Mr. FULTON. And was this, I take it, before you signed the contract?

Mr. MARSHALL. I think not; we discussed very little before I signed the contract.

Mr. FULTON. Then let's take the first discussion that you had with him at the time the contract was being considered. What did he say to you and what did you say to him?

Mr. MARSHALL. Well, he came in to see me.

Mr. FULTON. In your office?

Mr. MARSHALL. In my office here in Washington, and he said he referred to the fact that I have been in Washington for some 25 years, that I have done business with almost every Department in the Government, that I was in the Government service for a good many years, that I was a general manager of the Associated General Contractors of America for 8 years, and contacted all the departments of the Government on all the business that they had during their formative period; that during that period I was in constant contact with labor and had some knowledge of the vicissitudes of labor; and that he felt I could advise him as well as anyone could with respect to not only the work that he had under way, but any other contacts he might have with the Government, or labor, or material people.

In the way of conducting their work that I had, during the war, been in charge of the construction division of the Army, that I had perhaps the largest experience at that time of anyone in connection with such work; that my advice and counsel ought to be worth while, and would be worth while; that any troubles he might have with labor I ought to be able to help out on, which I have, frequently, in the past; that any troubles he had with materials, that I might be helpful in getting a source of supply that would be better or cheaper; that the question of organizational set-up, upon which I claim to be an expert, that I should be able to go over with him the organizational set-up for any work they might get and perhaps be helpful in those directions.

Mr. FULTON. That was what he said to you?

Mr. MARSHALL. That was part of our discussion.

Mr. FULTON. What did you say to him?

Mr. MARSHALL. I said to him that you already have one contract with the Navy. You probably have learned your way about as far as getting a contract is concerned, as anyone, and that I could not see that I could be of any material help to him, except in a consulting and advising way, unless I would go and try to solicit, and that I refused to do for anyone.

In June of last year I laid down that rule for myself, that I would not go out and solicit for anyone.

Mr. FULTON. And you told him then that your only services would be as an office consultant?

Mr. MARSHALL. That is all.

Mr. FULTON. And despite that he would be willing to enter into a contract to give you 10 percent of a fee which he would obtain for performing a job as big as Fort Meade?

Mr. MARSHALL. What is that?

Mr. FULTON. For office consultation he would be willing to enter into an arrangement with you to pay you a fee of 10 percent of the entire amount which he would receive for a job as big as Fort Meade?

Mr. MARSHALL. Well, at that time Fort Meade was not in the offing; I don't think if it were I don't remember that it was. What size job he might get was a question to be determined. As a matter of fact, he was very uncertain as to whether he was getting any job at all because of the fact he already had a Navy contract.

Mr. FULTON. San Juan Navy base?

Mr. MARSHALL. Navy cost-plus contract, and he was very, very pessimistic about the probability of his getting a job.

Mr. FULTON. And was that why he was calling on you?

Mr. MARSHALL. I can't answer that for him.

Mr. FULTON. Now, let's see, if he were pessimistic and didn't think he was going to get it, just why was he hiring you to do something which would not be needed unless he did get it?

Mr. MARSHALL. As I have already told you, I had before me the papers that he has submitted and I said, "If you will take my advice, you will resubmit those papers, change their form and the approach. I think that they are not likely to win, and I think that you have enough goods to win, and you are the largest contractor, I believe, south of the Mason-Dixon line," which is true.

Mr. FULTON. That, Mr. Marshall, wasn't my question. My question was if he were of the opinion that he wasn't to get any more contracts, just why did he say that he was coming to you to give you a contract which you couldn't be interested in unless he got more contracts because your fee would be the fee dependent on getting contracts?

Mr. MARSHALL. I think I have already said that if I were in Stalfort's position that he ought to be in a position to get a contract because of the work that company has done and the well-known facility with which they have done it.

Mr. FULTON. Now, you said that you were to be retained for satisfactory labor consultation, material consultation, and various other things on private as well as Government work?

Mr. MARSHALL. That is right.

Mr. FULTON. Now were you to receive a commission on the five-million-odd dollars of private work that the Consolidated Engineering was then engaged in doing?

Mr. MARSHALL. No commission on anything they were then engaged in, only from that time forward.

Mr. FULTON. Now were you to receive a commission on work that you had nothing whatever to do with prior to the time that he got it, as for example, a contract for private construction of \$5,000,000 building?

Mr. MARSHALL. (Shaking head "no.")

Mr. FULTON. You were not to receive any commission on that, even though he might ask you about the labor or material questions?

Mr. MARSHALL. No, sir; I received no commission on anything he had in hand, and he was free to consult me about any work he had in hand.

Mr. FULTON. If he didn't consult you but did get it privately he might consult you, even though he might afterward ask you some questions as to these labor and material points that you say you were available for extra service on?

Mr. MARSHALL. Any work he got from that date forward until he canceled that contract, I was to get on each and every job a percentage in accordance with that schedule.

Mr. FULTON. Whether you had anything to do with getting it or not?

Mr. MARSHALL. Whether I had anything to do with getting it or not.

Mr. FULTON. Then the contract provided somewhat different language from what I thought you told us. Didn't you say it provided that on work where you were of assistance in a consultative capacity you would get a fee?

Mr. MARSHALL. If I said that I didn't intend to convey that notion.

Mr. FULTON. I may have misunderstood.

Mr. MARSHALL. I think my consulting service is somewhat like that of the advice of a lawyer; he does most of it in his office and gets away with it, and it is very valuable. I have had over 20 years' of experience at this game here in Washington. I know P. W. A., W. P. A., R. F. C., U. S. H. A.; I think I know pretty nearly every one of them. I have had considerable to do with the Labor Department, and so on, and so on.

Mr. FULTON. Now, with respect to labor, just what type of service could you give the Consolidated Engineering with respect to labor that they wouldn't already have from their own staff and their own connections with labor through the years that they have operated in this same area?

Mr. MARSHALL. Well, I am inclined to agree with you, with the intimation you are making.

Mr. FULTON. I mean, would you know more about Baltimore labor than they?

Mr. MARSHALL. I don't think I would, no; but I know considerable about labor in general. I have contacted labor people in A. F. of L. now for—since 1908, I guess, when I first went into the War Department in charge of the branch of construction, in 1908.

Mr. FULTON. Of course, they have, too?

Mr. MARSHALL. Yes; I say.

Mr. FULTON. They have been in contact with labor?

Mr. MARSHALL. I say I am inclined to agree with the intimation that your question suggested.

Mr. FULTON. I just wanted to know whether you would take the position that you would know more about Baltimore labor conditions than they would?

Mr. MARSHALL. Not for 1 minute.

Mr. FULTON. And then, with respect to materials, they have been in the markets?

Mr. MARSHALL. I will say here that at that time, whether a contract were to be in Baltimore, or Alaska, or Texas, or wherever it was to be, no one knew.

Mr. FULTON. Would you say you knew more about labor conditions in Texas than the Consolidated Engineering?

Mr. MARSHALL. I shouldn't be surprised; in Texas, North Carolina, Virginia.

Mr. FULTON. And it was for that type thing they were hiring you?

Mr. MARSHALL. That was only one phase if it came up.

Mr. FULTON. How about materials? Do you know more about materials and their purchase than a company that has been engaged in construction of their magnitude for years?

Mr. MARSHALL. No; but specific questions come up right along with respect to material that sometimes you want to go to see the steel corporation, or sometimes you want to go to see a pump manufacturer to

see if you can't get what looks unreasonable straightened out, or explained. Now that I have had to do in a number of instances.

Mr. FULTON. Would you tell us generally how much material you have been purchasing in the last 10 years?

Mr. MARSHALL. I don't think I purchased any.

Mr. FULTON. And how many millions of dollars of materials would you say the Consolidated Engineering has purchased in the last 10 years?

Mr. MARSHALL. They will have to answer that.

Mr. FULTON. It would be a good many millions?

Mr. MARSHALL. I would say it would be in excess of fifty million.

Mr. FULTON. And now, with respect to the Army, your rank, I take it, was that of a general?

Mr. MARSHALL. That is right; I am still a general in the Reserve Corps; I am today.

Mr. FULTON. But you are not—are you in any way related to the Chief of Staff, General Marshall?

Mr. MARSHALL. I think nine generations back our strain met.

Mr. FULTON. Nine generations back?

Mr. MARSHALL. Either seven or nine; I don't know; he knows; I don't know; I am not much of a genealogist.

Mr. FULTON. But the relationship is extremely remote, would be a fair statement?

Mr. MARSHALL. Very remote.

Mr. FULTON. So remote as to be practically nonexistent?

Mr. MARSHALL. As far as kinship is concerned; yes.

Mr. FULTON. And now the board that passed on the selection of contractors, composed of Major Harvey and Mr. Dresser, and various other persons, what conversations, if any, have you had with any members of that board¹ in the last—since your contract was entered into with the Consolidated Construction?

Mr. MARSHALL. I have had quite a number of conversations with different members of that board from time to time.

Mr. FULTON. And by quite a number what would you estimate that to be? Weekly, daily?

Mr. MARSHALL. Not weekly; 12 or 15; maybe 20; I don't know, but different members of the Board; I would say 20 or 25.

Mr. FULTON. Were those meetings social meetings entirely?

Mr. MARSHALL. Yes.

Mr. FULTON. And in no sense business?

Mr. MARSHALL. I will say—

I don't mean to say by that that the general question of operation of construction work going on was not discussed, because it was.

Mr. FULTON. But these meetings did not take place at the War Department.

Mr. MARSHALL. No, I think I have been in the offices of the Construction Division just exactly four times since last June; to the best of my recollection, that's it. I have studiously kept away from it.

Mr. FULTON. What was the occasion for the four different times?

Mr. MARSHALL. I went down once to see Colonel Lamphere about the fact that there was difficulty with respect to his physical condition.

¹ Construction Advisory Committee, Quartermaster General's Office, War Department.

Mr. FULTON. What connection would that have?

Mr. MARSHALL. He was in the Construction Division then. I just went down to see him, that's all. I know him personally very well.

Mr. FULTON. You have no function to perform with respect to his physical condition?

Mr. MARSHALL. No, except I was trying to advise with him as to what would be the best for him to do.

Mr. FULTON. From the standpoint of nonmedical, who handled it from a nonmedical standpoint—

Mr. MARSHALL. Just purely personal advice. I wanted to see his physical situation brought up so that he would be O. K.

Mr. FULTON. What was his position?

Mr. MARSHALL. He was then—I declare, I have forgotten—I don't know whether he was head of the engineering branch of the construction division or not. I think he was. At that time I dare say he was.

Mr. FULTON. What would be the second occasion?

Mr. MARSHALL. The second occasion is that I went down to see General Hartman with respect to the contract with the Consolidated Engineering Co. to tell him what had happened in the way I am telling you.

Mr. FULTON. Did you tell him you had destroyed the contract?

Mr. MARSHALL. I suppose I did, because I had when I went to see him.

Mr. FULTON. Do you have a present recollection?

Mr. MARSHALL. I can't say I do, but I think I must have.

Mr. FULTON. And then, what was the third occasion?

Mr. MARSHALL. I went down to see Mr. Loving to tell him the same thing I told General Hartman.

Mr. FULTON. And your recollection would be in the same stage on that?

Mr. MARSHALL. So far as I can recollect, I told each of those about the same thing, as nearly as I could.

Mr. FULTON. What was the fourth occasion?

Mr. MARSHALL. I don't remember. I'm sure I went there another time. I just can't remember when it was.

Mr. FULTON. Now, considering the nature and type of your work, would that help you to determine what the fourth occasion was and whom you saw?

Mr. MARSHALL. I don't think so.

Mr. FULTON. And have you any papers or records that would assist you?

Mr. MARSHALL. Assist me in what?

Mr. FULTON. Do you have any papers or records in your office that would assist you in placing this fourth occasion?

Mr. MARSHALL. No; but it had nothing to do—it was almost certainly a personal call, I think, I made on Colonel Lamphere. If it had been anything in connection with business, I think I would know it definitely.

Mr. FULTON. On Colonel who?

Mr. MARSHALL. Lamphere—L-a-m-p-h-e-r-e.

Mr. FULTON. That is the same gentleman you referred to before?

Mr. MARSHALL. Yes.

Mr. FULTON. And now, with respect to these 15 or 20 social occasions, where did they take place—in your home or their homes, or restaurants, or where?

Mr. MARSHALL. Well, some of them sometimes came to my home. I sometimes went to their's, and sometimes we would go out to dinner together.

Mr. FULTON. And would you say that they have been more or less frequent than they were in the period preceding July 1940?

Mr. MARSHALL. Oh, my, there are bound to have been more calls preceding July 1940. They weren't here.

Mr. FULTON. So that the social acquaintance that was started commenced in July 1940.

Mr. MARSHALL. No.

Mr. FULTON. Had it existed over a period of years?

Mr. MARSHALL. Twenty.

Mr. FULTON. You mean from your past war experience?

Mr. MARSHALL. Yes.

Mr. FULTON. Now, I noticed you said you were associated with, in some capacity, the Associated General Contractors, a trade association of contractors.

Mr. MARSHALL. That's right. I resigned from the Army to take the position of general manager of the Association of General Contractors of America in their formative period.

Mr. FULTON. I have also noted that a number of persons associated with that trade association have taken functions with the Army in the last few years, such as Loving, Dresser, Harvey, and others. Is not that true?

Mr. MARSHALL. Well, I think a part of what you said is true, but I don't think all of what you said is true. So far as I know, Loving is the only one connected with that association. If the others were connected with it, I don't know it.

The CHAIRMAN. Was Mr. Blossom a member of it?

Mr. MARSHALL. If he was, I don't know it.

Mr. FULTON. Was his firm a member of it?

Mr. MARSHALL. I don't think so. I don't know. I just can't answer the question.

Mr. FULTON. Now, the Associated General Contractors, you say, hired you as manager for a period of years?

Mr. MARSHALL. Who?

Mr. FULTON. Were you manager?

Mr. MARSHALL. Eight years I was the general manager of the Associated General Contractors, for I think 1 month less than 8 years, from 1920 to 1928.

Mr. FULTON. And have you had any contacts with that trade association since?

Mr. MARSHALL. Yes, naturally.

Mr. FULTON. What were the contacts?

Mr. MARSHALL. Well, I have been to one or two of their conventions and I don't think I have been to one of their conventions for 6 years, but prior to that I went to one or two of their board meetings, and there's nothing in particular that I can say that would have bearing on what we are talking about.

Mr. FULTON. Would you produce to the committee all of the contracts and correspondence which you have for companies other than the Consolidated Engineering, which I understand has been destroyed?

Mr. MARSHALL. There are the contractors who have contracts with either the Army or Navy Department, with whom I am associated, and if I may, I would like to say a word about each one of them so there can be no—

Mr. FULTON. First, have you any clients other than these?

Mr. MARSHALL. I have all kinds of clients. I suppose I have 25 clients. The Air Track Manufacturing Corporation, which makes blind-landing instruments for aviation purposes.

Mr. FULTON. Without specifying individual names, Mr. Marshall, you have a number of clients who have contracts with the Government other than these.

Mr. MARSHALL. No contract. I am just telling you about these manufacturing people. These are the contractors.

Mr. FULTON. These are contractors—

Mr. MARSHALL (interposing). Who have contracts or have had contracts under this Army-Navy program, have a contract since last June under this Army-Navy program. Now there are some others that came in and consulted with me, paid me, went out, and are gone. Some of them have no contractors. They have just a consultation of a few days.

Mr. FULTON. Then I take it these are the contractors, and contractors only who have actually had contracts with the Army and Navy.

Mr. MARSHALL. That's right.

Mr. FULTON. Since June 1940.

Mr. MARSHALL. That's right.

Mr. FULTON. Which have not been completed.

Mr. MARSHALL. Some of them have been completed.

Mr. FULTON. Then in addition to this, there are some other contractors.

Mr. MARSHALL. Those are all I have had.

Mr. FULTON. Who have come and gone, I thought you said—

Mr. MARSHALL (interposing). During a process of a week. They came and asked me to advise them with respect to this. I would charge them \$250 or whatever I would charge them, and give them advice, and they are gone.

Mr. FULTON. Now would you give us—

Mr. MARSHALL (interposing). Can I take that list and tell you something about each one of them?

Mr. FULTON. Yes; take the Consolidated Engineering. We have talked of Mason & Hanger Co. What would you have to say?

Mr. MARSHALL. I have know them, I might say, all of my life. Mason went to Washington-Lee when I went to V. M. I. We knew each other then. During the World War, Mason & Manger Co. were one of the best contractors on the construction work for the Army, which construction work was then under my direction, so that we had that relationship.

In 1923 I handled a claim for them under the Dent Act.¹ Had to get a lawyer to help me, to my regret, but I did, and successfully

¹ Stat. 40, 1272, U. S. Code 94.

handled the claim for them under the Dent Act, some \$75,000. When the Coulee Dam came along in 1936, Mason came and hired me as a consultant on his Coulee Dam work, construction work. M. W. A. K. Co. had construction work for the Coulee Dam, I think in 1936, maybe 1935.

The CHAIRMAN. Finish this one company and we will recess until 10:30 in the morning.

Mr. MARSHALL. Then when this new work came along they were offered a subcontract under the Hercules Powder Co. for building the powder plant at Radford, Va., and they came and hired me in accordance with this letter here which you can take a photostatic copy of. I don't want to turn it loose.

Mr. FULTON. Perhaps the practical way of handling that is for an investigator to go to your office and look at the records you have had. He can do that this afternoon and it won't be necessary to give up the letter.

The CHAIRMAN. I want to ask one more question and then we will recess. The Consolidated Engineering Co. is Mr. Stalfort, isn't it?

Mr. MARSHALL. Yes.

The CHAIRMAN. Are they still going to pay you that fee if the contract is destroyed?

Mr. MARSHALL. No, sir.

The CHAIRMAN. Have they paid you a fee?

Mr. MARSHALL. They paid me \$500 in July and August, I guess it was. Since then it's all off.

The CHAIRMAN. The committee will recess until 10:30 tomorrow, and Mr. Marshall will you come back then?

(Whereupon at 1:10 the committee recessed until 10:30 a. m. Tuesday, May 6.)

INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM

TUESDAY, MAY 6, 1941

UNITED STATES SENATE,
SPECIAL COMMITTEE INVESTIGATING THE
NATIONAL DEFENSE PROGRAM.
Washington, D. C.

The committee met at 10:30 a. m. pursuant to adjournment on May 5, 1941, in room 318, Senate Office Building, Senator Harry S. Truman presiding.

Present: Senators Harry S. Truman (chairman), Mon C. Wallgren, and Tom Connally.

Present also: Hugh A. Fulton, chief counsel, and Charles P. Clark, associate chief counsel.

The CHAIRMAN. The committee will come to order. Mr. Marshall, we will continue with you.

TESTIMONY OF R. C. MARSHALL, JR., MARTINIQUE HOTEL, WASHINGTON, D. C.—Resumed

The CHAIRMAN. You wanted to ask Colonel Marshall some questions?

Mr. AMBERG.¹ Just a few questions, Colonel Marshall. During the time that you were employed by the Consolidated Engineering Co., did you recommend that company to anybody in the War Department?

Mr. MARSHALL. I expect it takes an interpretation of recommendation.

Mr. AMBERG. What did you do, if anything?

Mr. MARSHALL. Up to the time that the Consolidated Engineering Co. had been notified that they were to go before Mr. Loving for interrogation with a view to giving them a contract, I had not recommended them. I had had a discussion one night with respect to them with some people from the War Department, but it was not in connection with Camp Meade. When they had been notified that they were to be examined with a view to determining whether they were to get a contract or not, I told Mr. Stalfort it was my intention to call General Hartman and to tell him that I was representing them, not with a view to recommending them, but I did not want General Hartman to give them a contract under the Construction Division without his knowing that I was their consultant. I did call General Hartman on the telephone. I told him what I have told you, and I told him that I was going to call up Mr. Loving and tell him the same thing.

¹ Julius H. Amberg, special assistant, Secretary of War.

I specifically said not with a view to recommending them but so that, in view of my relations that had existed before, that I didn't want them to give the Consolidated Engineering Co. a contract and later find out that I was their consultant.

Mr. AMBERG. You say that at an earlier date in the evening you did say something about Consolidated to someone at the War Department?

Mr. MARSHALL. The Consolidated Engineering Co. came up one night at some discussion and, as I recollect, it was not with reference to any particular job but just in the general discussion of the qualifications of contractors. It came up to the fact that they were probably the largest south of the Mason-Dixon line at that time.

Mr. AMBERG. Do you recall who was present that evening?

Mr. MARSHALL. Well, I don't recall specifically who was present. I assume that Major Harvey was present, Colonel Gunby and Colonel Lamphere.

Mr. AMBERG. That is your present recollection?

Mr. MARSHALL. That is my present recollection; yes.

Mr. AMBERG. You haven't your contract any more, but did that contract call for a salary as well as a bonus?

Mr. MARSHALL. My recollection is that it called for \$250 a month.

Mr. AMBERG. Yes; I mean the contract with the Consolidated Engineering Co.

Mr. MARSHALL. Yes, sir.

Mr. AMBERG. Now, you mentioned that that contract was canceled. Was that before the affidavit¹ was signed which has been offered here, and that affidavit is dated the 24th day of September 1940?

Mr. MARSHALL. I don't know as to the date of that affidavit, but Stalford came back from his conference, as he told me, with Mr. Loving and said that he felt that he would not be given the contract unless our relationship terminated, and our relationship terminated then, and I think it was several days before he signed the contract.

Mr. AMBERG. But he mentioned that he had to give an affidavit?

Mr. MARSHALL. Yes; he had a copy of it with him.

Mr. AMBERG. And he had not yet signed the affidavit, is that right?

Mr. MARSHALL. Yes; that is right.

Mr. AMBERG. Now, in the cancelation, what, if anything, were you paid for the cancelation?

Mr. MARSHALL. I was paid \$250 in July, if I remember correctly, and \$250 September 1, and that was all.

Mr. AMBERG. That was your salary basis?

Mr. MARSHALL. Yes.

Mr. AMBERG. Did you get any commission or payment of any kind from the Consolidated except those two salary payments?

Mr. MARSHALL. Nothing at all except the \$500, which is all that I have in connection with that.

Mr. AMBERG. Have you any right now to get anything from Consolidated Engineering Co. in connection with its fixed fee or profit on Camp Meade?

¹ See footnote 1, p. 583, supra.

Mr. MARSHALL. I would think not, but that may be a legal question.

Mr. AMBERG. Are you making any claim for anything?

Mr. MARSHALL. No; I am not making any claim.

Mr. AMBERG. Thank you very much, Senator.

The CHAIRMAN. Proceed, Mr. Fulton.

Mr. FULTON. As I understand it, Mr. Marshall, you have only two files in your office today, is that correct, with respect to contracts?

Mr. MARSHALL. Well, I wouldn't say that. Let me look at the list.

Mr. FULTON. As I understood it yesterday afternoon, you stated that your files consisted of two folders, one pertaining to the Mason & Hanger Co., and the other to the J. A. Jones Construction Co.

Mr. MARSHALL. I think that is right, of these particular contractors that are on this list.

Mr. FULTON. Does that mean that you destroyed the file that related to Dunn and Hodgson, of Birmingham, Ala.?

Mr. MARSHALL. Yes.

Mr. FULTON. When did you destroy that file?

Mr. MARSHALL. Well, I would say 3 or 4 weeks ago.

Mr. FULTON. That was about the time this committee was commencing its hearings on camp construction.

Mr. MARSHALL. Well, I think I destroyed them before the committee was appointed. I wouldn't be certain as to that.

Mr. FULTON. Then you didn't destroy them 3 or 4 weeks ago?

Mr. MARSHALL. I would say 3 or 4 weeks ago. I don't recollect. I had no anticipation of being called before this committee, but with the appointment of all these investigating committees and, as I said before, having a vivid recollection of the Graham committee, I thought that all of the contracts I had on a cost-plus basis I should cancel and destroy, and did.

Mr. FULTON. Because you didn't want the facts with respect to them to be known?

Mr. MARSHALL. No, no, no.

The CHAIRMAN. General, I can't understand why you would not want this committee to have all the facts. Why would you destroy records of that sort, unless there was something you wanted to cover up?

Mr. MARSHALL. No, sir; there is nothing I want to cover up, and I suppose it is not good form for me to say it, but had I known that this committee was going to take the position it has taken, I think I would have kept them all. I dare say these men have whatever correspondence we had. But the congressional investigation committee after the World War took every slightest incident they could to make much out of nothing, and I just felt that the best thing to do was to have nothing except what I might say myself.

The CHAIRMAN. But, General, you have given us an impression now that there was something to cover up. This committee is trying to get the facts on a constructive basis to prevent future mistakes along the same line, and it seems to me that it would have been much more to your advantage to have had those contracts here for our examination. If there is nothing wrong, there is no harm done. Now you have made it appear that there is something wrong by destroying those contracts.

Mr. FULTON. Now, let's see about something out of nothing. You got \$4,750 from Dunn and Hodgson, didn't you?

Mr. MARSHALL. I gave the figures to Mr. Connelly¹ yesterday, and if that is the amount he reported—

Mr. FULTON. His report is what you told him. You told it to him from memory. Is that the amount you gave him?

Mr. MARSHALL. He was in my office. During the year 1940 from Dunn & Hodgson there was \$3,250 and since then \$500 a month, \$250 each.

Mr. FULTON. And \$500 for 5 months?

Mr. MARSHALL. 3 months.

Mr. FULTON. Then your recollection yesterday of \$1,500 you wish to change today, is that right?

Mr. MARSHALL. \$3,250 during the year 1940, plus \$1,500 this year. That makes \$4,750.

Mr. FULTON. That is the figure I gave originally.

Mr. MARSHALL. That is, according to my record—I have here, 1940, \$3,250 during the year 1940.²

Mr. FULTON. Now, with respect to Dunn and Hodgson, when you entered into your agreement with them in 1940, what was the basis of the payment that you were to receive?

Mr. MARSHALL. Mr. Dunn had talked to me several times prior to their getting a contract, and I had suggested to him that it was—I didn't know that I could help them any. Everything they had seemed to me to be in good shape.

Mr. FULTON. My question simply related to what was the basis of the contract payment. Was it a percentage of the contract?

Mr. MARSHALL. When first entered into it was \$250 a month each, plus a percentage of the contract.

Mr. FULTON. And what percentage?

Mr. MARSHALL. My recollection is about five.

Mr. FULTON. What was the amount of the fixed fee which they ultimately were awarded on the contract?

Mr. MARSHALL. I don't know, sir. We canceled that contract entirely.

Mr. FULTON. When did you cancel it?

Mr. MARSHALL. When it became known that affidavits had to be made. I canceled all of the percentage contracts when that affidavit was made.

Mr. FULTON. Now, was the fact that the affidavit was required the reason that you canceled the percentage contracts?

¹ Matthew J. Connelly, committee investigator.

² In a letter, dated May 29, 1941, addressed to Senator Truman, Mr. Marshall wrote in connection with these figures as follows:

"In the course of my testimony before your committee on the 5th and 6th instant I testified, from record and memory, regarding payments made to me during the year 1940 and the first quarter of 1941 by the Dunn Construction Co., of Birmingham, Ala., and John S. Hodgson & Co., Montgomery, Ala. My attention has been called to the fact that the amounts stated by me on that occasion were inaccurate. The following statement shows the total amount paid to me, by the companies named, during the year 1940 and up to the present month, May 1941:

In 1940, received from Dunn Construction Co.....	\$2,250
In 1941, received from Dunn Construction Co.....	1,500
In 1940, received from John S. Hodgson & Co.....	2,250
In 1941, received from John S. Hodgson & Co.....	1,000

Mr. MARSHALL. That was partly the reason. It seemed inadvisable for me to go on on that basis if the War Department were taking that position.

Mr. FULTON. Because the affidavit, if signed, would be false if you had a percentage contract?

Mr. MARSHALL. Well, I don't see how anybody can sign that affidavit in its literal meaning.

Mr. FULTON. But I am talking about the existence of your contract to get a percentage of the fixed fee. If that contract existed, the affidavit of the type that the War Department was asking to have signed would, if executed, have been false. Is that correct?

Mr. MARSHALL. Well, I don't know as to that. I have been given legal opinions that it would not be false.

Mr. FULTON. Now, let's see. The affidavit said "for soliciting or assisting in any manner whatsoever," and under your contract you were hired to assist, were you not?

Mr. MARSHALL. Yes; I was hired to assist, but not to solicit.

Mr. FULTON. Then the reason that you abrogated your contract was that if your contract continued, no contractor could truthfully sign that affidavit?

Mr. MARSHALL. That was partly the reason, but Dunn hired me after he got his contract.

Mr. FULTON. I am talking about the abrogation of these contracts; whether he hired you then or afterward, the affidavit would have been false if it had been signed and that contract of yours had continued. Isn't that correct?

Mr. MARSHALL. I expect it is correct, but, as I say, I have had what I believe to be competent legal advice that it is not correct.

Mr. FULTON. When you consulted this competent legal advice, were you told that section 80 of title 18 of the United States Code made it a felony for anyone to make a false statement within the matter of the jurisdiction of a department of the United States Government?

Mr. MARSHALL. I don't think I was told that, but I think I know that.

Mr. FULTON. Punishable by 10 years' imprisonment.

Mr. MARSHALL. Yes.

Mr. FULTON. Likewise, anyone who either made or caused anyone to make a statement would be subject to the same punishment. Did that enter into your discussions at the time these contracts were abrogated?

Mr. MARSHALL. I don't think I have heard it expressed just the way you have expressed it at any time.

Mr. FULTON. Isn't there such a statute?

Mr. MARSHALL. I suppose there is; I don't know. I know generally that that is true. The specific statute I do not know, but I know generally that that is true.

Mr. FULTON. Now, with respect to the J. A. Jones Construction Co., I understood you received \$13,500 from them.

Mr. MARSHALL. That is right.

Mr. FULTON. Did you have a contract with them originally which provided for a percentage payment?

Mr. MARSHALL. No, sir; I never have had.

Mr. FULTON. With respect to the MacDougald Construction Co., I understood you received \$500 from them.

Mr. MARSHALL. That is right.

Mr. FULTON. You did not have any papers with respect to that contract?

Mr. MARSHALL. No; so far as I know no papers were ever signed with respect to that contract, so far as I recollect.

Mr. FULTON. Did you ever have any correspondence of any kind or written documents or memoranda of any kind whatever from the MacDougald Construction Co. or to them?

Mr. MARSHALL. Yes.

Mr. FULTON. Do you have those papers today?

Mr. MARSHALL. No.

Mr. FULTON. Were they destroyed?

Mr. MARSHALL. Yes.

Mr. FULTON. When?

Mr. MARSHALL. Oh, at the time I took all those files, as I say, about 3 weeks ago, and disposed of them.

Mr. FULTON. Now, with respect to the Taylor and Byrne Companies, have you any papers from them?

Mr. MARSHALL. A few, some correspondence.

Mr. FULTON. Why was that not shown to Mr. Connelly?

Mr. MARSHALL. What I had was shown to Mr. Connelly.

Mr. FULTON. Did you ever destroy any papers that you received from or sent to them?

Mr. MARSHALL. I kept very few of them. Usually those letters I don't keep on file.

Mr. FULTON. And so some of the documents have not been kept?

Mr. MARSHALL. That is right.

Mr. FULTON. And by that you mean you tossed them in the waste basket?

Mr. MARSHALL. That is right.

Mr. FULTON. Now, with respect to companies other than these with whom you at least had discussions about retaining your services, have you got the records of any papers that you may have received from them or sent to them?

Mr. MARSHALL. I think not.

Mr. FULTON. Did you destroy any such papers?

Mr. MARSHALL. I destroyed most of those sometime ago. Whenever my relationship with them ceased, I usually got rid of the files.

Mr. FULTON. So that today your entire files could be carried in a brief case, say?

Mr. MARSHALL. No; not quite that.

Mr. FULTON. How much would they consist of?

Mr. MARSHALL. Well, I would say they occupy about a drawer and a half to two drawers of an ordinary filing cabinet.

Mr. FULTON. And you say that you never solicited any contractor for a contract—

Mr. MARSHALL (interposing). In this—

Mr. FULTON. For your services? You never attempted to sell any contractor on the idea of hiring you?

Mr. MARSHALL. No.

Mr. FULTON. They all came to you voluntarily?

Mr. MARSHALL. Yes.

Mr. FULTON. You never sent out any literature indicating that you were available?

Mr. MARSHALL. I may have replied to some letters that they could come to see me, or something like that, but I never had any general solicitation.

Mr. FULTON. What I have in mind is, how did they know you were in the business of consulting?

Mr. MARSHALL. Well, I have been in it, I have been here in Washington in this business, for over 10 years.

Mr. FULTON. But these people we are talking about are people who found it necessary to enter into agreements with you in 1939, '40, and '41, are they not?

Mr. MARSHALL. I have had quite an extended experience in Washington over a period of 25 years. I am a member of the American Institute of Consulting Engineers, of the American Society of Civil Engineers, the American Institute of Electrical Engineers, the American Society of Mechanical Engineers. I am pretty well known in the construction industry, and many of them came to my office to ask for information and advice, many of them. I don't know how many, but a great many have and do, and I was engaged pretty nearly full up with engagements that I had then, so I only wanted a limited number of people to work with, and I think I selected those with whom I would work with a great deal of care.

Mr. FULTON. Mr. Marshall, how many employees have you got?

Mr. MARSHALL. One.

Mr. FULTON. A stenographer?

Mr. MARSHALL. Yes.

Mr. FULTON. And have you ever paid anyone else other than the stenographer for any services rendered to you in connection with your work?

Mr. MARSHALL. In connection with this particular work?

Mr. FULTON. In connection with your work as a consultant.

Mr. MARSHALL. Oh, yes.

Mr. FULTON. Have you ever paid anyone any portion of any fee that you were paid for your consulting services?

Mr. MARSHALL. On this work or generally?

Mr. FULTON. On this work or generally.

Mr. MARSHALL. As far as I can recall; yes.

Mr. FULTON. When you say so far as you can recall, you recall that you did not?

Mr. MARSHALL. That is what I mean.

Mr. FULTON. So far as you recall, the answer would be "No."

Mr. MARSHALL. The answer would be "No."

Mr. FULTON. Would you recall if you did?

Mr. MARSHALL. It may be that you think I am hedging, but I don't recollect having done it.

Mr. FULTON. You would recollect if you had?

Mr. MARSHALL. I think I would; yes.

Mr. FULTON. So the answer would be "No."

Mr. MARSHALL. Yes.

Mr. FULTON. And have you ever made any payment to anyone for services that he rendered in connection with assisting you in getting a contract?

Mr. MARSHALL. No, sir.

Mr. FULTON. Have you ever caused any payment to be made?

Mr. MARSHALL. No, sir.

Mr. FULTON. Have you ever appeared before any congressional committee?

Mr. MARSHALL. Many times.

Mr. FULTON. Have you ever appeared as a witness advocating that a procedure be continued, such as, for example, the procedure whereby construction is to be in the Quartermaster General's Corps instead of the Engineering Corps?

Mr. MARSHALL. Oh, yes; it has always been in the Quartermaster Corps.

Mr. FULTON. Did you appear before a congressional committee and advocate that it not be transferred?

Mr. MARSHALL. I don't recollect that as to a congressional committee. I know I went to General Pershing, I went to the Secretary of War, and I assume that I must have appeared before some of those committees after the war. I went before them so often that I just can't answer your question directly, but I have no doubt I did. I would have had I had the opportunity.

Mr. FULTON. Have you appeared before any Senator or Congressman during the last few years and recommended privately, by letter or otherwise, that construction be continued in the Quartermaster General's Corps?

Mr. MARSHALL. Yes.

Mr. FULTON. And not be transferred to the Engineering Corps?

Mr. MARSHALL. Yes.

Mr. FULTON. Although that position was contrary to the one that the Army's General Staff was then taking?

Mr. MARSHALL. As I understand it now; yes.

Mr. FULTON. What I have in mind is, were you influenced in making that recommendation by the fact that you knew a number of people in the construction division of the Quartermaster General's Corps?

Mr. MARSHALL. No; I have probably been the spearhead of that position since 1910, '11, or '12. It is a long history. I was in the Quartermaster General's office in the construction division from 1912 to 1918, when that question first came up.

Mr. FULTON. What particular interest did you, as a private individual, have in seeing to it that the construction remained in the Quartermaster General's Corps instead of being transferred to the Engineering Corps, as recommended by the Army?

Mr. MARSHALL. Well, at the time that I took this up I was not informed that the General Staff had made that determination. I was later so informed. Speaking now, I guess it was about 6 months ago or more. But in 1910 or '11 or '12, a recommendation was made to the Secretary of War that the construction work be transferred to the Engineer Corps. General Aleshire was then Quartermaster General, and he prepared a memorandum, which I assisted in preparing, setting forth where it was believed that it was in the interest of the

Government that it stay where it always had been, and it did stay there.

In 1918, I guess it was, recommendations were made to the Secretary of War that the construction division be transferred to the Engineer Corps. I was then chief of the construction division, and I prepared a memorandum setting forth my reasons why I have felt that it be in the interest of the Government for it to stay where it was.

When the National Defense Act was in preparation, after the war—I think the National Defense Act was in 1920—I was then chief of the construction division, and I advocated that it be made a separate division of the War Department, independent of any other part of the War Department, and directly under the office of the Secretary of War, so that I have repeatedly taken that position; and whenever it has come up, I have taken that position.

Mr. FULTON. You were not influenced by the fact that you knew a number of the people in the Quartermaster Corps?

Mr. MARSHALL. Not at all.

Mr. FULTON. Or by the fact that you were a consultant to private companies which would be seeking contracts?

Mr. MARSHALL. It has been my judgment since I have known the situation that that is where it ought to be—for over 30 years—and it is no new tenet to me. I have copies of those memorandums if you would like to have them, back in 1912.

Mr. FULTON. You didn't destroy those?

Mr. MARSHALL. No.

Senator WALLGREN. Are you known by your title as General Marshall?

Mr. MARSHALL. Yes, sir.

Senator WALLGREN. Are you ever confused with the Chief of Staff?

Mr. MARSHALL. Every once in a while. I get his mail and he gets mine every once in a while.

The CHAIRMAN. General, it is true, isn't it, that you did see a large number of Senators and Congressmen when the program was under consideration of using the Corps of Engineers for the construction division?

Mr. MARSHALL. I wouldn't say a large number. I saw several.

The CHAIRMAN. That is all, General.

Senator CONNALLY. There was no harm in that, was there, seeing Congressmen and Senators?

Mr. MARSHALL. I thought it was good. I thought it was good. I would like, Mr. Chairman, if I may—I think there was a question raised about my consulting service, and I have prepared a little sketch here which I think establishes my right and my qualifications for consulting services; and—

The CHAIRMAN (interposing). The committee will consider it, and if it meets with the approval of the committee we will put it in the record.

Senator WALLGREN. With which bank do you do business?

Mr. MARSHALL. Merchants National Bank, Hampton, Va., since 1903.

Senator WALLGREN. No local bank?

Mr. MARSHALL. No.

The CHAIRMAN. That is all.

Col. Robinson E. Duff will be the next witness.

**TESTIMONY OF LT. COL. ROBINSON E. DUFF, CONSTRUCTION AND
REAL ESTATE BRANCH, SUPPLY DIVISION, WAR DEPARTMENT
GENERAL STAFF**

The CHAIRMAN. Colonel Duff, you will state for the record your rank and connections with the War Department.

WAR DEPARTMENT'S REASONS FOR LOCATING SEVENTH CORPS AREA TRAINING CENTER NEAR ROLLA, MO., INSTEAD OF IN SOUTH CENTRAL IOWA ¹

Colonel DUFF. Yes, sir. I am on duty as an assistant in the construction and real-estate branch of the G-4 Division of the War Department General Staff.

I have been directed to appear before your committee and explain the reasons why the War Department decided to abandon all activities in connection with the acquisition of a site in south central Iowa as the Seventh Corps Area Training Center and relocate this training center in the Mark Twain National Forest near Rolla, Mo.

The CHAIRMAN. Proceed, Colonel, to tell us.

Colonel DUFF. The necessity for a training area in the Seventh Corps Area has been recognized since 1923. In 1936 the corps area commander directed that a study be made to determine the best possible location for this training center. The study showed the desirability of having the training area located either in southern Iowa or northern Missouri, as this was near the center of gravity of not only population but training activities.

As a further result of the study, recommendations were made to the War Department resulting in the passage of legislation (Public, No. 231, 76th Cong., approved July 26, 1939) authorizing the acquisition of 40,000 acres in Wayne and Decatur Counties, Iowa, at an estimated cost of \$660,000. This act of Congress was only an authorization and carried with it no appropriation of funds, and at that time it was contemplated that only about 10,000 troops would be concentrated in this area for intensive training for just a few months each year.

Upon initiation of the current expansion program in the fall of 1940 it became necessary to find a suitable training center for the Sixth Regular Army Division, comprising a majority of the units in the Seventh Corps Area. A preliminary investigation indicated that there would be sufficient water available at the Iowa site, as the Board report, which I offer for the record, indicated that the Weldon and Grand Rivers, which traversed this site, had an abundant supply of water.

(The exhibit referred to was marked "Exhibit No. 48" and is included in the appendix on p. 692.)

Colonel DUFF. Therefore, it was determined that the 40,000 acres in Iowa should be acquired in order to provide a suitable training area not only for this division but also for an engineer replacement training center and three Artillery regiments, a total of approximately 35,000 men.

Accordingly, under date of September 7, 1940, instructions were issued to purchase the 40,000 acres in south-central Iowa with funds which in the meanwhile had been made available. Instructions were also issued on September 18, 1940, to commence construction of

¹ In this connection see also Hearings, Part 1, p. 203 et seq.

the cantonment area as soon as the land had been acquired and the adequacy of the water supply had been established. Shortly thereafter, about October 23, 1940, the Chief of Engineers raised a question as to the adequacy of the water supply in this region, pointing out that water from deep wells was not potable, and that streams in the area went dry or had their flow reduced to zero at certain times of the year.

The question raised by the Chief of Engineers was supported by a report from a Reserve officer on active duty in his office. This report indicated that to insure a sufficient supply to carry through drought periods and allow for evaporation losses, over a year's supply must be impounded. I have a copy of Captain Baldwin's report, and desire to submit it as an exhibit.

(The exhibit referred to was marked "Exhibit No. 49" and is included in the appendix on p. 697.)

Colonel DUFF. The Quartermaster General was then directed to make a survey of the Iowa site with respect to the water situation. His report, dated October 29, 1940, which I desire to introduce as an exhibit, indicates that water from deep wells could not be obtained and that surface water would have to be impounded.

(The exhibit referred to was marked "Exhibit No. 50" and is included in the appendix on p. 699.)

Colonel DUFF. It was further indicated that a dependable water supply could be obtained by about February 1, 1941, but this would require pumping from the Grand River into a reservoir adjacent to the river with a pipe line running to the building area about 17 miles distant. At the building area it was proposed to build a settling basin and then pipe the water into tanks serving the camp area. The building area was approximately 300 feet higher than the intake at the Grand River, and the Quartermaster General estimated that the initial cost to provide water at the camp site would cost approximately \$1,250,000. This did not include upkeep and maintenance costs, and until the water system was completed the contractor would have to haul water in tank cars for the construction of the cantonment. The Quartermaster General further advised that no commitments had been made concerning any land acquisition, that no construction had started, and if it were decided to relocate the training center, the only expense incident to the Iowa site would be the expenses incurred by the Department of Agriculture representatives who had been making appraisals in the area.

It was then determined that the Iowa site would not permit the economic development of an adequate and dependable supply of water; and accordingly, on October 31, 1940, a War Department board of officers was directed to proceed at once to Rolla, Mo., to investigate the possibilities of locating the Seventh Corps Area Training Center in the Mark Twain National Forest nearby, a site which had previously been examined and considered during the preliminary surveys to locate the Seventh Corps Area Training Center.

The War Department board included two General Staff officers (G-3 and G-4) and a representative from both the Chief of Engineers and the Quartermaster General.

This board was met at Rolla, Mo., on November 1, 1940, by a board from the Seventh Corps Area, comprising the corps area engineer

officer, the corps area quartermaster officer, and G-4 of the Seventh Corps Area. As a result of further investigation of this area, the board, under date of November 5, 1940, recommended that further action with respect to the acquisition of 40,000 acres in south-central Iowa be discontinued at once, and that an area of 64,000 acres in the Mark Twain National Forest be acquired for the Seventh Corps Area Training Center. These recommendations, which I desire to introduce as an exhibit, were approved by the War Department at 10:30 a. m. on November 5, 1940.

(The exhibit referred to was marked "Exhibit No. 51" and is included in the appendix on p. 703.)

Colonel DUFF. Several complaints have reached the War Department concerning alleged damages to the citizens of south central Iowa, due to the sudden decision on the part of the War Department to abandon this site.

These claims have all been very carefully investigated and in the opinion of the Inspector General, who was a member of the board that investigated these claims, they will not exceed \$2,500.

Senator WALLGREN. This means that the War Department, instead of acquiring 40,000 acres at considerable expense, is using public lands in this instance for the training camp?

Colonel DUFF. In part, sir. The Mark Twain National Forest comprises around 411,000 acres. Approximately 129,000 of the 411,000 were already Government-owned, and in the area which was selected—

Senator WALLGREN (interposing). What is the size of the training camp?

Colonel DUFF. Sir?

Senator WALLGREN. What is the size of the area of the training camp?

Colonel DUFF. Sixty-four thousand acres.

Senator WALLGREN. How much of that is not within the national forest?

Colonel DUFF. It is all within the national forest. All of it is within the national forest, but the Mark Twain National Forest comprises approximately 411,000 acres. Within that area, checker-boarded throughout the area, are Government-owned sections, or half-sections, which comprise approximately 129,000 acres. Within the 64,000 acres eventually selected, there were about twelve to fourteen thousand acres that were already Government-owned.

Senator WALLGREN. You mean to say that within the national forest there were only 12,000 Government-owned acres. I see, you mean they hadn't been acquired as a national forest.

Colonel DUFF. The boundaries for the Mark Twain National Forest had been delineated by the Forest Service, and they had been proceeding with the acquisition of this land as funds became available from year to year to the Forest Service, so within the boundaries there were 411,000 acres, of which at this time approximately 129,000 were Government-owned.

Senator WALLGREN. The Department of Agriculture has been buying this property?

Colonel DUFF. That is right.

Senator WALLGREN. Right along?

Colonel DUFF. That is right.

Senator WALLGREN. And it has been necessary, then, for you to purchase how many acres, or do you acquire it that way or is it a matter of transfer from the Department of Agriculture to you?

Colonel DUFF. We acquired the Department of Agriculture land by transfer from the Department of Agriculture. Then the money which we had available for the Iowa site was transferred down to the Missouri site and we proceeded with the acquisition down there when it was determined that the water situation was inadequate at the Iowa site.

Senator WALLGREN. How about the prices that are being paid for that property? Do they compare favorably with the prices being paid by the Department of Agriculture for corresponding acreage?

Colonel DUFF. No, sir; they were much higher.

Senator WALLGREN. You mean because of this emergency you were forced to go in—

Colonel DUFF (interposing). To get it right away.

Senator WALLGREN. Were there any contracts on record that you know of with the Department of Agriculture or options that they held that would have permitted them to buy the property much cheaper?

Colonel DUFF. They were the agency that proceeded with the acquisition.

Senator WALLGREN. The Department of Agriculture is actually going to buy the property?

Colonel DUFF. The Quartermaster General turned that over to the Forest Service as his agent.

Senator WALLGREN. How much more are we being required to pay?

Colonel DUFF. It will average, according to the latest estimate, around \$26 per acre.

Senator WALLGREN. How does it figure on percentage—for instance, are you paying twice as much for it?

Colonel DUFF. Yes, a little more than that.

Senator WALLGREN. A little more than twice as much?

Colonel DUFF. Our records indicated that the Department of Agriculture had never paid more than four or five dollars an acre for any of that land, but they could take it or leave it.

Senator WALLGREN. Just because those people down there were trying to chisel the Government and take advantage of an emergency.

Colonel DUFF. The Quartermaster General investigated that at the direction of the Deputy Chief of Staff, General Moore, and we found, I believe it will be borne out, that there wasn't any apparent intention on the part of the people down there to chisel the Government. It was just a case of the Government's having to have the land right away and moving these people off. The lands which had been acquired by the Forest Service were more or less lands which were not needed for agricultural purposes. They didn't have much improvements on them, so that was the reason for the difference in the cost.

Senator WALLGREN. Let me get this acreage again. The total acreage in the training area is what, 40,000?

Colonel DUFF. Fort Leonard Wood comprises approximately 64,000 acres.

Senator WALLGREN. You say that within this national forest at the present time the Department of Agriculture has acquired a certain amount of land, but it is sort of checkerboarded all over the area so that you couldn't use it; you would be forced to go out and buy a certain amount?

Colonel DUFF. That is right.

Senator WALLGREN. You have to purchase 12,000 acres, did you say, or were there only 12,000 acres of it that were Government owned?

Colonel DUFF. Approximately 20 percent of it was Government owned.

Senator WALLGREN. Couldn't you have picked out a more densely Government-owned portion?

Colonel DUFF. That map shows in black the Government owned, and it is checkerboarded all over.

Senator WALLGREN. Couldn't you have picked out a certain section of the national forest that would have permitted you to purchase a larger percentage of Government-owned property than just one-fifth of it?

Colonel DUFF. We might have, sir, but the training advantages in those portions were not as desirable as the area that was finally agreed upon.

Senator WALLGREN. What do you mean by that?

Colonel DUFF. Largely covered by dense forest. It would have cost us \$25 per acre, the forestry people out there estimated, to clear some of those areas. That area that was finally selected is partly open and rolling.

Senator WALLGREN. How much of an area are you going to clear for a training area?

Colonel DUFF. I can't answer that, sir.

Senator WALLGREN. When you talk about a training area, is it necessary to clear the ground?

Colonel DUFF. It is necessary to clear some areas for observation of artillery fire and to make the areas that the troops drill and maneuver in, a little more open.

Mr. FULTON. Colonel Duff, I notice that back in December of 1937 the acquisition of these 40,000 acres was recommended. Do you have any report showing why it was recommended and what the extent of the survey at the time was? I am talking of the Iowa section.

Colonel DUFF. I have a report here, or a letter rather, from the commanding general of the Seventh Corps Area, General Ford, dated December 30, 1937, which I should like to introduce as an exhibit.

Mr. FULTON. What I had in mind was, rather than introduce the whole letter, would you tell us how much of an investigation was made so far as any report that you have or any letter you have?

Colonel DUFF. This letter indicates that a rather exhaustive investigation was made to determine a suitable training area for the Seventh Corps Area.

Mr. FULTON. By that rather exhaustive investigation does he mean that any engineers looked at it at all?

Colonel DUFF. At the Iowa site?

Mr. FULTON. In other words, did anybody look at it from the standpoint of construction difficulties?

Colonel DUFF. I presume so. The record doesn't bear that out.

Mr. FULTON. Have you any record at all that indicates that anyone did look at it?

Colonel DUFF. My exhibit A, which I have introduced here, dated August 2, 1940, indicates that there was an engineer officer on the board that looked over the Iowa site in comparison with the Rolla, Mo., site and six other cities that were investigated.¹

Mr. FULTON. But that board was in 1940, long after you had determined to acquire it. Now, what I had in mind is, what engineering officer, if any, or what man with construction experience, if any, looked at this Iowa site in 1937?

Colonel DUFF. The corps area engineer officer investigated this site.

Mr. FULTON. Perhaps Colonel Miller could give us the fact on that.

Senator WALLGREN. Excuse me just a moment. Colonel Duff, just what is your position down there? You are with the construction and real estate branch, the Supply Division of the War Department?

Colonel DUFF. Yes, sir.

Senator WALLGREN. Who is your immediate superior?

Colonel DUFF. General Reybold is G-4 of the War Department General Staff.

Senator WALLGREN. Is this Real Estate Division buying all the property going into Army camps?

Colonel DUFF. We don't buy. We approve the policies and approve the projects as they come in; that is, we prepare them and present them to the Chief of Staff for his approval or disapproval.

Senator WALLGREN. He makes the final selection of the site; you make the recommendations. Is that right? The Chief of Staff will make the final selection.

Colonel DUFF. The Chief of Staff makes the final decision.

Senator WALLGREN. But you make the recommendations.

Colonel DUFF. We prepare the papers as they come in for his approval or disapproval.

Senator WALLGREN. Where do those papers come from?

Colonel DUFF. They originate in the field. They pass through the corps area commander. They originate with the corps area commander, generally, and then pass through the Quartermaster General for his comments and recommendations. Then they pass through the various divisions that are concerned in the General Staff, and finally come to the G-4 Section for presentation of all the data for consideration by the Chief of Staff and the Secretary of War, and the decisions are made up there.

Senator WALLGREN. How many people have you in your division?

Colonel DUFF. There are three of us in the Real Estate Section of the Construction Division of G-4.

Senator WALLGREN. Is it necessary for you to personally examine any of this property?

Colonel DUFF. No, sir; we don't go out and examine all of this property. It just happens that I was a member of the board of officers that went out and inspected the Rolla, Mo., site to determine its feasibility as a training area. But it is not customary.

Senator WALLGREN. That is all.

¹ See Exhibit No. 48, appendix, p. 692.

TESTIMONY OF LT. COL. CHARLES S. MILLER, GENERAL STAFF
CORPS, G-4, SEVENTH CORPS AREA, OMAHA, NEBR.

The CHAIRMAN. Will you state your name and official position?

Colonel MILLER. Lt. Col. Charles S. Miller, General Staff Corps G-4, Seventh Corps Area, Omaha, Nebr.

Mr. FULTON. As I understand it, Colonel, you have been familiar with the problems out there in the corps area for some little time, especially with respect to the location of sites.

Colonel MILLER. Yes; I have been there for a year and a half. I am familiar with the selection of sites to a certain extent.

Mr. FULTON. I understand you personally have always thought favorably of the Rolla, Mo., site which has ultimately been selected.

Colonel MILLER. That is correct.

Mr. FULTON. What I had in mind is, would you be able to tell us what engineering and construction officer, with experience along these lines, had to do with this December 30, 1937, report that the Iowa site should be acquired?

Colonel MILLER. At that time Lt. Col. Frederick W. Herman was the corps area engineer.

Mr. FULTON. Did he participate in this selection?

Colonel MILLER. He participated in the recommendations concerning the Iowa site.

Mr. FULTON. What I had in mind is, have you found any report—long before we had an emergency, was an extended investigation made by him to ascertain, for example, whether they could get water, and, if so, do we have any report from him indicating such investigation?

Colonel MILLER. His investigation included the question of water, but at that time, I might say, the corps area was recommending a camp which would accommodate 10,000 troops during a summer-training period.

Mr. FULTON. What I had in mind is, Have you found any report, or is there one in existence, indicating any detailed consideration of water?

Colonel MILLER. Yes; we have in our files in corps area headquarters reports—

Mr. FULTON. On the 1937 inspection, which is what I am talking about now? Could you produce for me a report in 1937 showing the consideration that was given and the underlying material on which the report was based?

Colonel MILLER. I couldn't say.

Mr. FULTON. Could you, Colonel Duff? Do you know of any such?

Colonel DUFF. No, sir; but we might go back and restate the reasons for the authorization of the 40,000 acres in south-central Iowa.

Mr. FULTON. We have already done that. What I had in mind was, irrespective of those reasons, was there any extended consideration given to the water problem, and do we have any report?

Colonel DUFF. I talked with Colonel Herman who has just been mentioned, when we were out in Rolla, Mo., and he stated that since the original purpose for this 40,000 acres was for a training area for just a few troops in the summer time, the Weldon and Grand Rivers presented no problem for just the short duration that that training area would be used. Now, when the situation became apparent last

fall and it became necessary to find a permanent training area, not for 10,000 troops but for 35,000 troops, the detailed investigation then in connection with the water situation there showed that it would be economically inadvisable to proceed there at that site.

Mr. FULTON. You mean, then, that in the summer of 1940, when we were talking of the defense program of the type we have actually gone into, all of the prior reports, and so on, were completely antedated and obsolete because they were based on considerations that were contrary to the existing facts as they were known in the summer of 1940.

Colonel DUFF. At that particular time it was intended to use this site as a training area for a short duration each year.

Mr. FULTON. What I mean is, though, that all the investigation that had been made, and on the basis of which the Congress had been asked to authorize the purchase of the 40,000 acres, was known to be obsolete. Is that right, because it was based on a different type of camp entirely and different conditions?

Colonel DUFF. That was the original basis for the authorization for the 40,000 acres.

Mr. FULTON. Now, knowing that it was obsolete, the question arises as to why we didn't make a new investigation, or if we did make one, we didn't follow it. As I understand it, we did make a new one.

Colonel DUFF. We did make a new investigation. The G-3 and G-4 Divisions were looking around for a permanent training area for the Sixth Regular Army Division, most of the units of which were concentrated in the Seventh Corps Area.

Mr. FULTON. Then that was the report of August 2?¹

Colonel DUFF. That was the report of August 2, and we went back to that report, and it indicated that there was an abundant supply of water in that area, so instructions were issued to commence the acquisition of land and construction of the cantonment as soon as the land had been acquired and the adequacy of the water situation had been established. Those instructions went out almost concurrently. Then it was the detailed investigation subsequent to that which showed that for a permanent garrison of 35,000 men in the Iowa site it was economically unsound.

Mr. FULTON. I noticed in your testimony that after this report had been rendered in August, a Reserve officer mentioned to you the impossibility of getting an adequate supply of water, and he happened to be a man who had had experience.

Colonel DUFF. He had had experience; yes, sir.

Mr. FULTON. So the Army was fortunate that it had an assistant professor who had come as a Reserve officer.

Colonel DUFF. We were fortunate in correcting this mistake in time.

Mr. FULTON. On this August 2 report, as I understand it, the board did recommend specifically that among the advantages of the south-central Iowa region was an abundant water supply.

Colonel DUFF. That is right.

Mr. FULTON. Which is just exactly contrary to the fact.

Colonel DUFF. That is right, and that was the basis upon which the instructions of September 7 and September 8 were issued.

Mr. FULTON. Now, what I had in mind is, why couldn't they have asked the State colleges there for the very information which, by accident, they got from a Reserve officer later on?

Colonel DUFF. Well, I don't see why they couldn't.

¹ Exhibit No. 48, see appendix, p. 692.

Mr. FULTON. Are they trying to do that generally on camp-site selection?

Colonel DUFF. They are doing that now; yes, sir.

Mr. FULTON. It would have been a great advantage to us if it had been done earlier.

Colonel DUFF. That is right.

Mr. FULTON. At that time, as I understood it, too, the board reported favorably on the Rolla, Mo., site.

Colonel DUFF. Yes, sir; however, in view of the commitments which had already been made with respect to the Iowa site, a further explanation is necessary: We had gone to Congress and had asked for an authorization for 40,000 acres. This acreage appeared sufficient to meet the requirements for the number of troops that were to go in that area, and because of the fact that we had gone to Congress and asked for this authorization, the Chief of Staff felt committed to the Iowa site, and he directed that we proceed to acquire the Iowa site.

Mr. FULTON. You say he felt committed to it? Is that correct?

Colonel DUFF. Yes, sir.

Mr. FULTON. What I had in mind is that you stated a few minutes ago that it was known in the summer of 1940 that all of the reports on which that acquisition had been approved were obsolete because they were based on a situation entirely different from the actuality.

Colonel DUFF. I don't believe that is correct.

Mr. FULTON. I thought you told us they were based on summer training and different types of camps.

Colonel DUFF. That was just this one particular instance. I didn't mean to imply that that pertained to every case throughout the Army. There was just this one incident.

Mr. FULTON. That is right; that this one incident, so far as any information had been obtained in the 1937 examination was concerned, that information was based on an assumption of facts contrary to what was known to be the fact in 1940, and I believe you admitted was obsolete?

Colonel DUFF. It was based upon a fact which was later discovered that we didn't have enough water in Iowa.

Mr. FULTON. No; it was based upon an assumption that you would have a different type of camp than the one you were considering, so it was obsolete from the standpoint that it had nothing whatever to do with the facts as you understood them in 1940, and that was the reason for having this second report made in August, wasn't it?

Colonel DUFF. I don't believe I get your question, Mr. Fulton.

Mr. FULTON. What I have in mind is, I asked you what kind of investigation had been made in 1937, when it was determined to recommend the acquisition, and I believe I was told that that investigation could not properly be looked at today as a standard because it had to do with a completely different camp.

Colonel DUFF. That is right, a different type of camp.

Mr. FULTON. So it was obsolete.

Colonel DUFF. A different type of camp was to go into the Iowa site than was originally intended.

Mr. FULTON. Now, the question I was asking is, why would you rely on an obsolete report and feel committed to it, instead of relying on the August report, which was new?

Colonel DUFF. We didn't exactly rely upon an obsolete report. We directed that an investigation be made before any construction was started to determine the adequacy of the water supply. That is the report of September 18.

Mr. FULTON. I am talking about August now. I mean the August report was either one you intended to use or didn't intend, and I am saying, was it intended to be committed to the Iowa site at the time we had the August report, and if so, what was the use of the August report?

Colonel DUFF. The August report was used by the War Department. In looking over this report it indicated that there was an abundant supply of water. So, based upon the statement in this report, the War Department issued the instructions of September 7 and September 8 to go ahead and acquire the land and build the cantonment.

Mr. FULTON. Yes; but I thought I asked you why this Missouri site, which was in this August report, spoken of very highly, was not accepted, and I believe you told me that it was you felt committed to the Iowa site.

Colonel DUFF. That is right, because we already had an authorization.

Mr. FULTON. That being so, doesn't that mean that simply because you had an authorization which was based on obsolete information, known to be obsolete—

Colonel DUFF (interposing). It wasn't known to be obsolete at that time. We still thought the Iowa site was satisfactory at that time.

Mr. FULTON. It was known that the only investigation other than this August one, which showed a preferred location in Missouri, was one that had been undertaken on conditions other than the ones you knew existed in 1940.

Colonel DUFF. That is generally true; yes, sir.

Mr. FULTON. So what I had in mind is, why didn't you approach the August report with the idea of selecting the best site from the standpoint of the only information which was not obsolete?

Colonel DUFF. Well, I thought I explained that, Mr. Fulton. We at that time didn't realize that there was a shortage of water in Iowa, and in view of the fact that we had gone to Congress and had got an authorization to buy this land in south-central Iowa, and because of the commitments that had been made by presenting this matter to Congress, the Chief of Staff felt committed to the Iowa site. Now, the water situation didn't develop until about October 23.

Mr. FULTON. Now, with respect to this diametrically opposite conclusion in this August report, that one of the advantages was that there was water, what engineer had made an engineering survey of that, and how extensive was it?

Colonel DUFF. Of the Iowa site?

Mr. FULTON. Yes; that he could reach a completely wrong conclusion of that character.

Colonel MILLER. That was the corps area engineer, and he still feels that there is plenty of water in Iowa. It isn't a question of not being able to obtain water in Iowa. It was a question of the expense in obtaining the water, the necessity for impounding the water.

Mr. FULTON. What I had in mind is, did he prepare a detailed report showing a genuine analysis of the water conditions, and if so,

may we have it—the report that underlies the August report, which only contains the conclusions?

Colonel MILLER. I doubt if he has an analysis of the water conditions until after this report.

Mr. FULTON. So he made a conclusion which was put in a report in August without having at that time made an analysis; is that correct?

Colonel MILLER. Well, he made the report. He was a member of this board of August 2. He visited the area and investigated certain records that were available, showing the flow of water in the Weldon and Grand Rivers.

Mr. FULTON. What I had in mind is, did he make any report or analysis which underlies this August report, showing that he gave careful consideration to the water conditions, and if so, may we have it?

Colonel MILLER. No; at that time, at the time this report was submitted, he began a further investigation with the State geologist of Iowa, and it took some time for the State geologist to furnish that.

Mr. FULTON. But at the time the report was submitted, he had no underlying report at all; is that correct?

Colonel MILLER. There may be some reports in the files. I wouldn't care to state that he had no report. He did talk to State officials in Iowa, particularly the State geologist, and it was not until some time later that the State geologist began to feel that there might be a water shortage.

Mr. FULTON. What I have questioned is, did he make any investigation himself? How many hours, for example, did he spend on this problem?

Colonel MILLER. He spent several days in the Leon, Iowa, area.

Mr. FULTON. And has he got files which would indicate the extent, if any, to which he made this investigation?

Colonel MILLER. I am not certain of that.

Mr. FULTON. Would you have him obtain those and send them to me?

Colonel MILLER. I will.

Mr. FULTON. To see what he did.

Now, on August 15, as I understand it, Colonel Duff, the chief of the National Guard Bureau recommended the Rolla site?

Colonel DUFF. Yes, sir.

Mr. FULTON. And what would be his official position, as far as sites were concerned?

Colonel DUFF. I believe that he was primarily concerned with the utilization of the training areas there for National Guard troops later on, when they came back from their year's active duty. I understand that the facilities at the National Guard camp in western Missouri were not exactly satisfactory, and he was interested in the utilization of some of the training areas at the Rolla site for National Guard troops of his State.

Mr. FULTON. At any rate, he did recommend the Rolla site as distinct from the south Iowa?

Colonel DUFF. He did; yes, sir.

Mr. FULTON. Then on the 7th of September, I understand that The Adjutant General made the decision that the Iowa site would be selected.

Colonel DUFF. At that time we didn't know about the water.

Mr. FULTON. Instructions were issued?

Colonel DUFF. Instructions were issued; yes, sir.

Senator WALLGREN. What was that date?

Mr. FULTON. The 7th of September 1940.

Senator WALLGREN. When was the authorization for the purchase of that Iowa land?

Colonel DUFF. On July 26, 1939.

Senator WALLGREN. When was the money appropriated for this purchase?

Colonel DUFF. The money was appropriated in the third supplemental, in September of 1940.

Senator WALLGREN. In September of 1940?

Colonel DUFF. Yes, sir.

Senator WALLGREN. Then there was no money spent by the Government; none of this land was acquired?

Colonel DUFF. No, sir.

Senator WALLGREN. Was there any cost to the Government as far as operations were concerned?

Colonel DUFF. No cost as far as operations. In my opening statement I indicated that the only cost would be the expenses of the Department of Agriculture representatives who were in the area at the time making appraisals; and that, I understand, was around \$3,000 total.

Senator WALLGREN. There was really no money spent by the Government at all toward acquiring this property?

Colonel DUFF. That is right.

Senator WALLGREN. That is all.

Mr. FULTON. On the 7th, then, instructions were issued to buy the site; and on the 18th of September instructions were issued to commence construction as soon as land had been purchased and adequacy of water had been established?

Colonel DUFF. Those are the normal instructions which are issued by The Adjutant General.

Mr. FULTON. When you say that a particular directive was issued as to that—

Colonel DUFF (interposing). A particular directive was issued on September 18.

Mr. FULTON. Which called special attention to the water?

Colonel DUFF. It did not call special attention; this general directive authorized construction at several camps, including the Iowa site.

Mr. FULTON. So it had no particular reference to the Iowa site or the water conditions. It wasn't a specific directive to investigate the water in this camp?

Colonel DUFF. No, sir.

Mr. FULTON. Was there any such specific directive around September 18?

Colonel DUFF. Not until about October 23, when the Chief of Engineers raised a doubt as to the adequacy of the water supply in the Iowa area. Then the Quartermaster General made a detailed report, and I have that here as an exhibit.¹

Mr. FULTON. Yes; but that is a month later; over a month later.

Colonel DUFF. Yes, sir.

¹ See Exhibit No. 49, appendix, p. 698.
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Mr. FULTON. Now, on the 14th of September, I note there was a telegram addressed to the commanding general of the Seventh Corps, advising that the acquisition had been approved, and then requesting that the commander of the corps area furnish a large-scale map showing definitely the area to be acquired, the limits of the site defined by physical characteristics, such as railroads, rivers, creeks, and so forth, inasmuch as the maps available were entirely inadequate. Does that mean that at the time the decision was rendered, not only to acquire the land but to commence construction, we didn't even have an adequate map of it?

Colonel DUFF. I don't believe that the Quartermaster General had an adequate map of the Iowa site which would permit him to proceed from that point, and that was the reason that the Quartermaster General dispatched that telegram to the commanding general, Seventh Corps Area.

Mr. FULTON. Taking the position, in so many words, that the maps available were entirely inadequate.

Colonel DUFF. Yes, sir.

Mr. FULTON. And that he couldn't even judge the limits of the site defined, such as railroads, and so on, from such information as he had.

Colonel DUFF. The preliminary report, which was the basis of the eventual authorization to acquire the 40,000 acres, indicated there were two railroads traversing the area. However, the maps that were available to the Quartermaster General were not sufficient for his further purpose in the acquisition of the site and the lay-out of the cantonment area, and so on.

Mr. FULTON. Now, had the Engineering Corps been specifically asked to check this water site, or was that an accident that they happened to do it on October 23?

Colonel DUFF. That was on their own initiative in connection with the location of a 10,000-man engineer replacement center in the Seventh Corps Area training center.

Mr. FULTON. So if it hadn't been for the accident that the engineers happened to have a replacement center there, and on their own initiative looked into the water question, we wouldn't have been informed in October that there was a question of the water supply. Is that correct?

Colonel DUFF. We probably would have been informed later on by the Quartermaster General, pursuant to the instructions which had been issued.

Mr. FULTON. The Quartermaster General would learn about it only after the architect engineer was on the job and found that he didn't have water.

Colonel DUFF. That is right.

Mr. FULTON. So it is largely due to that accident of the engineers' being involved that they raised the question on their own initiative.

Colonel DUFF. That is right.

Mr. FULTON. Isn't there some procedure by which the War Department can ask the engineers to check on matters of that kind ahead of time?

Colonel DUFF. That is being done.

Mr. FULTON. But it wasn't done during the emergency.

Colonel DUFF. It wasn't done that time, no, sir.

Mr. FULTON. Now, he writes that there is submitted data on some nonmilitary aspects which should be given careful consideration before

a final decision is made, but the final decision had been made on September 7.

Colonel DUFF. Yes, sir.

Mr. FULTON. Or a period of 6 weeks before that.

Colonel DUFF. I don't know what he refers to there unless it is the finally established boundaries for the 40,000 acres to comprise the training center.

Mr. FULTON. He goes on in his document to say [reading from Exhibit No. 49]:¹

Because of the absence of adequate water resources in south-central Iowa, the problem of creating artificial lakes to relieve the situation has been studied by both State and local agencies * * * suitable storage sites to provide an adequate supply of water have not been found * * * It is obvious from the brief data given that the problem of securing an adequate water supply for a 25,000-man training center is not one to be waived aside with cursory consideration. Before final decision on the location of any new training center is made a careful and thorough study of the water supply should be made by qualified experience. The site near Leon is an outstanding example of the need for consideration of other than purely military factors in deciding upon a training location.

Colonel DUFF. Oh, I see, you refer—

Mr. FULTON (interposing). Does the General Staff agree with that position, that other than purely military factors ought to be considered before the site is finally determined?

Colonel DUFF. I see now that you are referring to Captain Baldwin's report,² instead of the telegram that went to the Seventh Corps Area. I misunderstood you. I don't know just what Captain Baldwin had reference to there as to the nonmilitary requirements.

Mr. FULTON. Isn't it quite clear that he had reference to the fact that there was a big problem in securing an adequate water supply?

Colonel DUFF. It is, and that was the basis for the Quartermaster General's on October 29, submitting a preliminary report as to the water situation.

Mr. FULTON. Well, that was because General Reybold sent the Quartermaster General a copy of Captain Baldwin's report.

Colonel DUFF. Yes, sir.

Mr. FULTON. Which, again I say, was due to the accident that the engineers happened to be involved in the area.

Now, that report further pointed out that the United States Geological Survey, Department of the Interior, had advised informally that difficulty in expense would be encountered, or might be encountered, and the question arises as to why they weren't checked with before we decided on the area, instead of afterward.

Colonel DUFF. I can't answer that.

Mr. FULTON. Then, on October 30, I understand you received—that is, the commanding general of the Seventh Corps Area received—a telegram from one Adams, pointing out that the surface water for a nine-months' supply would have to be impounded 16 miles from the camp at a cost of a million and a quarter. Is that true?

Colonel DUFF. That is generally correct, and the basis for that is the report of October 29 from the Quartermaster General, which I have introduced as an exhibit.³

¹ See appendix, p. 698 at p. 700.

² Ibid.

³ Exhibit No. 50, appendix, p. 700 et seq.

Mr. FULTON. Was there any check to find out when Captain Baldwin made his survey? It must have been some time before the 23d of October.

Colonel DUFF. No, sir.

Mr. FULTON. It is dated the 23d. He couldn't make a report until after he had studied it, so he must have started some time before the 23d.

Colonel DUFF. That is right.

Mr. FULTON. But the 23d happens to be just about the time that the contract had been let, so the contract had been let during the very time that the survey of Captain Baldwin was being continued, as I take it.

Colonel DUFF. The Quartermaster General would have to answer that as to when the contract was let.

Mr. FULTON. As I understand it, the contract was let on the 21st to the architect-engineer, and on the 14th to the contractor, so the contractor had a contract on the Iowa site 9 days before the Baldwin report was issued, and it must have been assumed that the site was very definitely and finally determined upon before that contract was executed, I assume, don't you?

Colonel DUFF. I think your assumption is a logical one to take.

Mr. FULTON. Which again reinforces the inference that it was only the accident of the engineers being there that led to any change.

Colonel DUFF. Yes, sir.

Mr. FULTON. Now, this second board which met out there was in November, as I understood it, and they made a report about November 5, didn't they?

Colonel DUFF. The board left Washington on October 31 and met with Colonel Miller and representatives of the Seventh Corps Area on November 1 at Rolla, Mo.

Mr. FULTON. And it was the opinion of that board that the Iowa site should be abandoned and the Missouri site, the one on which the construction should take place, be adopted.

Colonel DUFF. Yes, sir.

Mr. FULTON. And largely because that board concurred in the finding that there wasn't sufficient water.

Colonel DUFF. Yes, sir; not insufficient water, but economically unjustified to develop the water situation in Iowa.

Mr. FULTON. One of the principal things that had to be weighed against the cost of getting water in the Iowa site, in order to determine the desirability of the Missouri site, was the expense of the railroad that would have to be constructed in Missouri?

Colonel DUFF. Yes, sir.

Mr. FULTON. And it had been understood that the railway would be a major problem, as I understand it.

Colonel DUFF. Yes, sir.

Mr. FULTON. Now, I believe that you estimated the cost of that railroad line at \$35,000 a mile.

Colonel DUFF. That was so indicated in our Board report.

Mr. FULTON. And you did that after checking with the Frisco Railway people, who should know quite a bit about construction?

Colonel DUFF. We asked for the chief engineer of the Frisco Railroad to come up from Springfield and meet with us during our de-

liberations there, in order to find how much it would cost to put a railroad into the camp site. We had a contour map of the area, and Mr. Williams, the assistant engineer for the Frisco Railroad, came up. He was a graduate of Rolla School of Mines; he had been in that capacity as an assistant engineer for some time, and he first made a map reconnaissance and laid out a route for the railroad into the camp, and figured up late that night and told us that it would cost about \$35,000 per mile to build that railroad, but he would like to make a personal reconnaissance of the area, so the next day he went out, accompanied by members of the board, and made a personal reconnaissance of the proposed route, and came back that afternoon and stated that he would not change his estimate, that his estimate of \$35,000 would stand. Shortly thereafter Mr. Jonah, the chief engineer of the Frisco, came to Washington and saw General Moore, deputy chief of staff, and stated that Mr. Williams' report was a little low and that it should be increased, if I remember correctly the words of General Moore, to approximately fifty or sixty thousand dollars a mile, so we realized that we would have to pay a little to get the railroad into the camp, and that was weighed against the disadvantages of the water situation in Iowa.

Mr. FULTON. And you had in mind that the railroad would cost somewhere between \$600,000 and \$900,000?

Colonel DUFF. That is right.

The CHAIRMAN. How many miles of railroad did you have to build?

Colonel DUFF. I understand it is about 17 miles from the railhead into the camp site.

The CHAIRMAN. Where is that railhead site; at Newburg?

Colonel DUFF. In the vicinity of Newburg.

Mr. FULTON. In constructing a railroad and laying out a line for a railroad it is natural to determine whether it will have to have a lot of fills and cuts and bridge work and things of that kind?

Mr. FULTON. And in laying out the particular route that you had in mind, I believe they only went over one hill, or something of that kind.

Colonel DUFF. I am not familiar with the route that was finally established. I understand it was somewhat different from the route that was proposed and reconnoitered by Mr. Williams.

Mr. FULTON. I understood that you had been of the opinion that the proposed right-of-way took into consideration all factors as to minimum grades and curves.

Colonel DUFF. Yes, sir.

Mr. FULTON. And that you had placed it a little bit east of the present location of the railroad.

Colonel DUFF. The proposed route? I believe so; yes.

Mr. FULTON. And that you ran to a point east of the camp, where it proceeded directly to the camp, thereby making it necessary to surmount only one ridge or hill in the terrain. Isn't that the route as laid out by you?

Colonel DUFF. The map I have included as an exhibit, or as an appendix to exhibit D,¹ shows the proposed route which was reconnoitered by Mr. Williams.

Mr. FULTON. The Frisco people?

Colonel DUFF. Yes, sir.

¹ Exhibit No. 51; illustration appears facing p. 707.

Mr. FULTON. That was the railroad that was to service the line anyway after it was built, wasn't it?

Colonel DUFF. Sir?

Mr. FULTON. That was the railroad to service the camp after it was built?

Colonel DUFF. Yes, sir.

Mr. FULTON. And it was the route that they had advocated.

Now actually, as I understand it, they advised that if they were to build the route they would want to have 9 months, of which 5 months would be spent in detailed survey. Is that correct?

Colonel DUFF. I believe that is right; yes, sir.

Mr. FULTON. And consequently it would be quite obvious that the railroad couldn't be used at all in the construction of the camp.

Colonel DUFF. That was realized.

Mr. FULTON. At any event it would be a drain rather than a help to the camp, because of the necessity of giving time to the construction of that as well as to the construction of other things. Isn't that true?

Colonel DUFF. The Board considered that no matter where the railroad would be, there would be a certain amount of haul from the railroad to the building activity itself.

Mr. FULTON. And the building activity was planned to be finished before the railroad would, under any circumstances, be in operation?

Colonel DUFF. Yes, sir.

Mr. FULTON. And, in fact, that has been the experience in the camp?

Colonel DUFF. That has been the experience.

Mr. FULTON. The camp has been built without the railroad, and the railroad has simply been an additional job for construction.

Colonel DUFF. Yes, sir. Various members of the Board discussed the practicability of getting a big transportation company in from St. Louis to move the supplies from the railhead out to the building area, which would be about 18 miles.

Mr. FULTON. I had that in mind, because it seems to me that if you can build a camp, carrying the materials lock, stock, and barrel to the camp, with all the needs of transporting workers to and from the camp, without having a railroad at all, the question might very well exist as to whether you need a railroad to service the camp when you get it done.

Colonel DUFF. I think everyone will concede that a railroad into a camp area is highly desirable.

Mr. FULTON. It is highly desirable for construction purposes, too, but what I have in mind is, is there any need for incurring heavy expense in rapid construction of a railroad by nonrailroad people when you can build a camp requiring greater material than transportation of passenger facilities than the completed camp ever will require?

Colonel DUFF. I am not prepared to answer that.

Mr. FULTON. I mean, if you could build the camp without a railroad, couldn't you keep the camp going without the railroad?

Colonel DUFF. It probably could continue. It is highly desirable to have a railroad into a camp. All of our camps are served by a spur coming into the camp.

Mr. FULTON. That may be, it may be desirable. It would be highly desirable to have a lot of things. What I have in mind is, if you can build a camp without a railroad, at least the possibility ought to be

considered as to whether you need to build the railroad under hasty expense conditions and without a preliminary survey of the type the Frisco Railway wanted to know. As a matter of fact, exactly when will the railroad be completed?

Colonel DUFF. The railroad is completed, and the investigating committee that was out there traveled over the route.

Mr. FULTON. When was the railroad put in operation?

Colonel MILLER. The first passenger that went on the railroad was on April 19.

Mr. FULTON. Was it in regular use from April 19?

Colonel MILLER. No, sir. It was to begin operation for the shipment of freight some time between the 1st and 10th; I think probably it began to operate the 5th, yesterday.

Mr. FULTON. Yesterday, the 5th of May, so we had between 6 and 7 months that we had to wait for the railroad as distinguished from 9, which was what the Frisco requested, and we saved, in point of time, something over 2 months, is that it, by constructing the railroad as we did?

Colonel MILLER. Yes; probably more than that. The railroad wasn't started until probably January 1. It was built in 5 months.

Mr. FULTON. But the Frisco wasn't talking about building it in 5 months. They were talking about building it in 4 months. They wanted to make a survey which they said would take some 5 months to do, and what I have in mind is that by disregarding the survey which they wanted to make, and building the railroad as we did, we saved, at the most, about 2 months; isn't that right?

Colonel MILLER. We probably saved, yes, about 2 months, but differences in costs would be the same.

Mr. FULTON. That, of course, could not be determined until you know what the cost could have been on the Frisco.

Colonel MILLER. We did make an extensive survey, and the road was changed from a distance of 17 miles to almost twice that.

Mr. FULTON. So the present road is 34 miles; isn't it?

Colonel MILLER. About 30 miles, and it was made after a detailed survey.

The CHAIRMAN. Was an effort made to get a survey up the Gasconade and Piney Rivers on a water grade to the camp from the Frisco Railroad's bridge across the Gasconade River right west of Newburg.

Colonel MILLER. I don't know whether a survey was made of that particular area.

Mr. FULTON. Now, if a survey was made, it couldn't have taken more than 2 months, because there wouldn't be 2 months between the time that you made your report and the time construction was started, isn't that true?

Colonel MILLER. That is true, yes.

Mr. FULTON. So the survey at the most would have been about 40 percent of the amount of time that the Frisco thought should be applied to it.

Colonel MILLER. I haven't seen their report. I am not familiar with their report.

Mr. FULTON. I mean, if they thought it would take 5 months, we spent 40 percent of that in survey work. How much did the railroad actually cost when it was constructed?

Colonel MILLER. I understand it cost nearly \$3,000,000.

Mr. FULTON. In other words, it cost more than the camp as originally planned in the early part of the summer was expected to cost.

Colonel MILLER. I don't know what the camp cost estimate was.

Mr. FULTON. The original estimate in the September 18 directive for the entire camp was \$2,002,000, wasn't it?

Colonel DUFF. I am not familiar with those estimates.

Mr. FULTON. And isn't that in the directive of September 18?

Colonel DUFF. My copy of that was turned over to Mr. Robinson.¹

Mr. FULTON. I got those figures from Mr. Robinson, that you originally planned a \$2,000,000 expense on your September 18 directive, so the railroad, as finally completed, cost half again as much as the original estimate of the camp which, however, was a very much smaller camp. It only accommodated something like 4,500 men.

In constructing that, we have 30 miles instead of 17, and we have an average cost of \$100,000 a mile, do we not, Colonel Miller?

Colonel MILLER. That is correct.

Mr. FULTON. That means that there must be a great many fills and cuts in order to have a cost that high, doesn't it?

Colonel MILLER. It must be. I have never been over the railroad. I had no connection with it.

Mr. FULTON. And who could speak most authoritatively on the railroad?

Colonel MILLER. The construction quartermaster.

Mr. FULTON. Was the architect-engineer the one who surveyed the location of this railroad?

Colonel MILLER. I don't know.

Mr. FULTON. Did the Engineering Corps of the Army have any connection with it?

Colonel MILLER. I think not.

Mr. FULTON. Did the Frisco Railway make this survey in conjunction with whoever did make it?

Colonel MILLER. I don't know.

Mr. FULTON. Did they ever approve it as being what they thought the most economical?

Colonel MILLER. I don't know. This entire matter of the construction of the railway was handled by the constructing quartermaster.

Mr. FULTON. I see.

Colonel MILLER. The constructing quartermaster of Fort Leonard Wood will be here as a witness tomorrow.

Mr. FULTON. Do you know what the reason was for changing it from a 17-mile route, estimated to cost between 35 thousand and 70 or 80 thousand, whatever that higher figure was—

Colonel DUFF (interposing). Between 50 and 60 thousand.

Mr. FULTON. To a route nearly twice as long, at a cost of nearly twice as much per mile?

Colonel MILLER. I can't say. I really know nothing about it.

Mr. FULTON. Well, actually it was November 13 that we decided to move the camp to Rolla, Mo., was it not? That was the date of the directive to the Engineering Branch by the Chief of the Construction Division.

Colonel DUFF. The decision was made by the War Department on November 5, the morning of November 5. November 13 that you

¹ H. G. Robinson, committee investigator.

have there might have been some instructions which had been issued by the Quartermaster General.

Mr. FULTON. It says a directive will be issued shortly, and instructions are to provide prior thereto with preliminary work.

Colonel DUFF. That is probably so. But the decision was actually made on November 5.

Mr. FULTON. Yes; but I mean for any practical work, it's the 13th.

Colonel DUFF. For any practical work, that is probably right.

Mr. FULTON. And even that would be of preliminary character before they got the directive.

Now, I am informed that there was a plan by the W. P. A. which General Means was in favor of, back in July, to start construction then. There was such a plan, was there not—July 9?

Colonel DUFF. I believe Colonel Wilson is more familiar with that than I am.

Colonel WILSON. When the Congress passed the last Relief Act there were \$25,000,000 in there for projects which the War Department and the Secretary of War and the Secretary of the Navy could certify as important for military purposes.

Mr. FULTON. I was addressing this question solely in order to ascertain what benefit, if any, we would have had by starting 5 months earlier than the 13th of November at the very place where we ultimately did start.

Mr. WILSON. You mean, had they taken the recommendations, which General Means, Adjutant General of the State of Missouri—

Mr. FULTON (interposing). Using W. P. A. work, and so on, starting work in July, when you had the benefit of the summer and fall, rather than in November, when you were approaching the winter.

Colonel WILSON. Of course, General Means was looking for a camp for the Missouri National Guard to train on, and like every other adjutant general in the United States, he was trying to chisel in on the \$25,000,000, and he came up to the War Department with a proposition to use W. P. A., and he had the support of Mr. Castile, State Administrator in Missouri, to start work on a camp in that area, for the purposes of a camp, a National Guard camp, but not a cantonment. I want to make a big difference here between this cantonment which was built, and this camp for six or seven thousand National Guard soldiers for summer training.

Mr. FULTON. Colonel Wilson, is there such a difference? Because, if I am correct, General Means' camp was for a bigger number of people on a bigger scale, than the one that the War Department actually directed to be built on the 18th of September, so he had in mind just as effective and complete a camp, didn't he, in July as they had in mind in September?

Colonel WILSON. Oh, no.

Mr. FULTON. Isn't it true that there estimate was only for 2,000,000 in September, and that it was to house only 4,500 men?

Colonel WILSON. But again their original estimate was only for a summer concurrent training camp, a summer camp.

Mr. FULTON. Then I have in mind this, that General Means in July was at least as far ahead as they were in September.

Colonel WILSON. They were talking about the same thing. They were both talking about a small camp for summer training National Guard, and probably some civilian components of the Army, such as C. M. T. C., R. O. T. C., and so forth.

Mr. FULTON. So if there is any question of saying General Means' proposal was of no use, it would also be true that the Army's proposal as late as September 18, was of no use.

Colonel WILSON. General Means' proposal, I personally think, was a good one, to go in with W. P. A. labor, to build camps of a temporary nature. The only construction is for your messhalls and latrines, and after a while you could get concrete tent floors, and gradually build up a training center for the troops of Missouri and adjoining States.

Mr. FULTON. That would have meant that he would have been busy with road work and other things in the camp area.

Colonel WILSON. That's right.

Mr. FULTON. Which would have been of great value in the construction of the camp as ultimately constructed.

Colonel WILSON. Undoubtedly, at least to haul stuff over.

Mr. FULTON. Isn't it true that several months' time, at least the time between July and September, could have been saved by adopting that proposal?

Colonel WILSON. I don't think you can charge that all off to time, there, because in the interim they changed from a summer-training-camp idea to a great permanent cantonment.

Mr. FULTON. Not in that interim, because, as I understood you, the September 18 camp was actually smaller than the one General Means had in mind, only 4,500 men, as against his 6,000.

Colonel DUFF. I would like to refresh my memory on that memorandum of September 18.

Mr. FULTON. Mr. Robinson,¹ do you have a copy of that original directive?

Colonel DUFF. I brought it up this morning and gave it to you. It is a mimeographed copy.

The construction at Iowa was always contemplated for around 35,000 men.

Mr. FULTON. There are a great number of camps in it.

Colonel DUFF. I can explain this now. These instructions here were only for the National Guard troops that were to go into the Iowa site, and did not include, these instructions did not include, the cantonment for the Sixth Regular Army Division that was also to go in there, and also the engineer-replacement center of 10,000 men.

Mr. FULTON. Then your point would be that the Army's estimate in that September 18 thing was only part of what they ultimately contemplated?

Colonel DUFF. That is right; exactly.

Mr. FULTON. But my information was that they didn't increase. There was no directive on that until October 10, and then it was only for a \$8,000,000 camp, and it wasn't until October 10 that you added the personnel of the Sixth Division of 14,000 men, increasing the housing to 23,000 men.

Colonel DUFF. It was contemplated that—just when the decision on the Sixth Regular Army Division was made I am not prepared to

¹ H. G. Robinson, committee investigator.

state—the Iowa site would provide for approximately 35,000 men, which would include the Sixth Regular Army Division, a 10,000-man engineer replacement center, and this Field Artillery Brigade from Michigan.

Mr. FULTON. That may have been contemplated, but the directive, I believe, took place several weeks later, and we don't know exactly when.

Colonel DUFF. It might have been in the planning stage at that particular time, and the directive was not issued.

Mr. FULTON. And as far as the 18th of September was concerned, when instructions were issued to commence construction, they related only to this project, which was actually smaller than the one that General Means had had in mind?

Colonel DUFF. Well, yes; but I don't think there is any relation, I don't think there can be any relation, between the two, because it was always contemplated that the Sixth Regular Army Division, the engineer replacement center, and this Field Artillery brigade, would go into this training center.

Mr. FULTON. If that was contemplated, why wouldn't the Army get busy on that earlier than the middle of October, because several weeks' time at that period of the year are extremely valuable?

Colonel DUFF. I would rather refer that to the G-3 Division.

Mr. FULTON. If they actually had the plans ready to start, why wouldn't they do it then?

Colonel DUFF. I would like to present that information to you later on.

Mr. FULTON. I have a directive here on the 10th of October, and the date isn't of much use unless the date is one that was an effective date and something was done on it.

Colonel DUFF. I think we will find this was in the planning stage long before that time.

Mr. FULTON. But it would be vitally important to save a month's time of good weather; and if it was actually determined upon prior to the 18th, the question arises as to why we waited until the 10th of October to do anything.

Colonel Wilson, in your opinion, would those roads and other facilities which were expected to be completed under General Means' proposal all have been a valuable addition?

Colonel WILSON. Certainly; any road you build is a help in the construction of a camp. What Mr. Castile, the administrator in Missouri, intended to do was to put in a camp of relief workers there, stock them from Kansas City or St. Louis, and build their camp for summer training for the National Guard. The only permanent construction, as I said, and that is of a temporary nature, would be latrines and mess halls, and perhaps concrete floors for tents. He, however, thought, "Well, if we can get this started there for the National Guard, perhaps this might develop into a——"

Mr. FULTON (interposing). A major camp.

Colonel WILSON. And he was, of course, not unmindful of the fact that the commanding general of the Seventh Corps Area had actually recommended the Rolla, Mo., site as the place for the Seventh Corps Area training center.

Mr. FULTON. And one of the major problems which occurred in January was the lack of roads, which was at least a contributing factor to the necessity for shutting down construction temporarily until roads were built; isn't that true?

Colonel WILSON. That is correct.

Mr. FULTON. So, if that is so, it would emphasize still more the desirability of creating roads during good weather with W. P. A. work.

Colonel WILSON. That is correct.

Mr. FULTON. Colonel Miller, did you have anything you wanted to add on the general situation? We are about to adjourn, and I thought you might have some remarks you would like to make on the subjects we may have touched on.

Colonel MILLER. With your permission, I would like to make a statement reviewing the factors considered by the officers who visited Rolla, Mo., on November 1, 2, and 3.

The CHAIRMAN. Proceed.

Colonel MILLER. This group of officers considered terrain, water, climate, accessibility by highways and railway, cost, future expansion, adjoining maneuver area, center of Corps Area population, and least disturbance of civilian population.

I will take up briefly each of these factors as they affected the area now known as Fort Leonard Wood.

Terrain: The terrain is varied. It is generally open and rolling, with rugged, broken features near river valleys. The reservation forms a north and south watershed flowing into the Big Piney River on the east and Gasconade River on the west. Wooded areas intersperse the entire tract. It is well drained throughout.

Water: We found an abundance of water. The supply is adequate for a cantonment many times that now planned for this training center. Sources include Big Piney River, fed by numerous springs; other available springs; and deep wells.

The larger springs that feed Big Piney River above the Fort Leonard Wood intake include:

Name	Flow million gallons per day
Prewitt or Mammoth Spring-----	11
Miller Spring -----	13
Sone Mill Spring-----	15

The minimum discharge of this river gaged above the post intake from 1921 to 1939 was 75 second-feet, or 48,000,000 gallons per day. This was registered August 6-7, 1934, in the midst of the dryest season ever recorded. The drainage area of the river is 560 square miles.

One hundred and fifty gallons per person per day is considered a liberal supply of water. This would require 5,700,000 gallons per day for the 38,000 men in this camp. The minimum discharge of Big Piney River would supply more than 8 times the population at present planned for Fort Leonard Wood. The big springs feeding this river have never gone dry.

Training value: A reconnaissance of the area convinced all that it would be ideal for the training of Infantry, Field Artillery, Engineers—the principal branches to be stationed there. It was known

then that the Sixth Division, composed primarily of Infantry and Field Artillery units, and an Engineer Replacement Center would train on this ground. With its numerous small wooded areas, rolling terrain, and river valleys, the area provides cover and concealment, open spaces, river crossings, observation points, locations for combat and known distance ranges, and every other feature desired for the modern training of troops.

The reservation is of particular value to the 10,500 Engineer selectees who come to this post to receive their basic training of 13 weeks. Engineers need streams for pontoon-laying, bridge-building, and river-crossing training in general; and here they can dam the river and prepare perfect training facilities along that line.

Climate: Being located in the foothills of the Ozarks, temperatures are not too cold in the winter, and yet are cool in the summer. The climate is satisfactory for training throughout the year.

Accessibility by highways and railways: The area is served by Federal Highway No. 66, which is a few miles to the north. State Highway No. 17 runs north and south through the reservation.

The nearest railway was the St. Louis & San Francisco, at Newburg. It was found necessary, therefore, to construct a railway from the main line of the Frisco to the camp.

Cost: The area was thinly populated and actually lay in the Mark Twain National Forest. The Government owned approximately 15 percent of the particular area selected for the reservation, this land having been acquired through a long-time purchasing program of the Forest Service. A tract of 64,000 acres was chosen from the choicest land of the 411,000 acres included in the area designated as the Mark Twain National Forest.

Due to the fact that the proposed reservation was located within the boundaries of the national forest, the market value of the privately owned property was less than the cost of land in other sections more conveniently located. Some proposed areas would have cost in excess of \$100 per acre. Here was an opportunity to obtain a training area at a moderate cost.

Future expansion: The remaining portion of the Mark Twain National Forest afforded an opportunity for future expansion in the event the War Department would need any or all of the balance of the area.

Adjoining maneuver area: Should the War Department decide that the balance of the national forest should not be purchased, nevertheless this same land could be leased for maneuvers with less cost and less effort than areas more thickly populated.

Center of corps area population: The Mark Twain National Forest is near the corps area center of population.

Least disturbance of civilian population: It was found that the acquisition of the proposed reservation by the War Department would require only about 1,500 persons to move from that area. This is really a small figure compared to the disturbance of the civilian population resulting when total farming areas are taken over for training camps.

It is difficult to find any one proposed training area that will answer all of these specifications. In the Mark Twain National Forest there were found all of the desired factors except one, and that was a rail-

way. It was known when the site was selected that it would be necessary to build a railway in the post, but the several other advantages greatly outweighed this one undesirable feature. The War Department was in search of a training center, and it found a good one here—a tract that is destined to be one of the most valuable, if not the best, in the United States.

The CHAIRMAN. It is my opinion that the camp could have been serviced without the railroad, and that the 3½-million-dollar expenditure for the railroad was entirely unnecessary at this time.

Colonel DUFF. Just one further statement, sir, in connection with the directives for the Sixth Division and the Engineer Replacement Center. The G-4 directive, as brought out in General Twaddle's testimony,¹ indicates that that directive was issued for the Sixth Division on September 30, 1940, and for the Engineer Replacement Center on October 9, 1940.

Mr. FULTON. Why would there be such a length of time between then and October 10 before it became effective?

Colonel DUFF. I can't answer that, sir.

Mr. FULTON. I mean, is it necessary to have a 9-day delay at a time when we are in a hurry on just a matter of that kind, considering the fact that frequently to save 9 days, we spend hundreds of thousands in overtime in actual construction?

Colonel DUFF. Sometimes it takes a little time to process these papers through to The Adjutant General's office if he is particularly swamped, and to the Quartermaster General's office if he is also swamped. We find a 3- or 4-day delay sometimes in each of those places.

Colonel MILLER. I would like to mention one thing, sir.

The CHAIRMAN. Go ahead.

Colonel MILLER. About the services of a camp by rail. We have a city of about 40,000 people. They consume 200,000 pounds of food a day. Many tons of coal and equipment—

The CHAIRMAN (interposing). That is all admitted, Colonel, but here is a situation. With the roads and the transportation that we have on the roads nowadays, and the fact that you could actually build the camp without the railroad, what I am contending is that there was no hurry about building this railroad. I will say you may need a railroad for the camp, but it could have been built in the future at a cost of a million instead of three and a half millions. That is my contention.

The committee will recess until 10:30 tomorrow, when we will continue with the architect engineer of Camp Leonard Wood.

(Whereupon, at 1:05 p. m., the committee stood in recess until 10:30 a. m., Wednesday, May 7, 1941.)

¹ See Hearings, Part 1, for testimony of Brig. Gen. Harry L. Twaddle, pp. 185-208, 210-233.

INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM

WEDNESDAY, MAY 7, 1941

UNITED STATES SENATE,
SPECIAL COMMITTEE INVESTIGATING
THE NATIONAL DEFENSE PROGRAM,
Washington, D. C.

The committee met at 10:35 a. m., pursuant to adjournment on Tuesday, May 6, 1941, in room 318, Senate Office Building, Senator Harry S. Truman presiding.

Present: Senators Harry S. Truman (chairman) and Mon C. Wallgren.

Present also: Senator Clyde Herring, Iowa; Hugh A. Fulton, chief counsel; Charles P. Clark, associate chief counsel.

The CHAIRMAN. The committee will come to order. Mr. Burdick will be the first witness.

State your name and your connection with the construction of Fort Leonard Wood, for the benefit of the record.

TESTIMONY OF CHARLES B. BURDICK, ALVORD, BURDICK & HOWSON, ARCHITECT ENGINEERS, CHICAGO, ILL.

WORK OF ARCHITECT ENGINEERING FIRM IN CONSTRUCTION AT FORT LEONARD WOOD

Mr. BURDICK. Charles B. Burdick, member of the firm, Alvord, Burdick & Howson, architect-engineers for Fort Leonard Wood.

Mr. FULTON. Mr. Burdick, would you tell us where your firm is located?

Mr. BURDICK. Chicago, Ill.

Mr. FULTON. And would you tell us something of the type of work that they had done which you would consider comparable to the Fort Leonard Wood project?

Mr. BURDICK. Well, we have been engineers for similar projects during the last war, if that is what you mean.

Mr. FULTON. Which projects were they?

Mr. BURDICK. We were engineers for water supplies, sewers, and roads at Camp Grant. I was supervising engineer for the quartermaster on Camp Las Casas, San Juan, P. R. I was also supervising engineer for the constructing quartermaster on the picric acid plant, Little Rock, Ark., all constructed during the last war.

Mr. FULTON. Would you tell us about the preliminary proceedings that took place before you obtained a contract as architect-engineers on this project?

Mr. BURDICK. I visited Washington on July 25 and 26, 1940, for the purpose of ascertaining what there was that we might do in connection with the engineering of defense projects, and I called upon the employment committee and had about 15 minutes' conversation with them. They instructed me to present a written record of experience, which was done within the following week. I heard nothing from them until October 10, when I got a telephone message to report to Washington, that a war job had been awarded to us. I reported to Mr. Frank C. Selnow, of the Fixed Fee Division, Construction Division. He advised me that we had been selected as architect-engineers for the Seventh Corps Area training center, to be located in Decatur County, Iowa, and showed me a contract, which I examined. I ascertained what was proposed to be done and the following day I signed the contract on behalf of my firm.

Mr. FULTON. With respect to the fee, did you suggest the amount of the fee or was it suggested to you as being an amount which the Army was willing to pay?

Mr. BURDICK. It was suggested to me. It was written in the contract.

Mr. FULTON. And at that time the contract contemplated an expenditure of about how many million dollars so far as they were then able to estimate?

Mr. BURDICK. About \$8,300,000 construction cost, a little over \$9,000,000 total cost.

Mr. FULTON. And the present estimated construction cost is about \$35,000,000, is it not?

Mr. BURDICK. Yes, sir; but there have been considerable additions to the job since that time.

Mr. FULTON. The additions were estimated to run about how many millions?

Mr. BURDICK. You refer now to the additions up to this time?

Mr. FULTON. Yes. I was not referring to the actual cost of the additions but to the question of how much should be added to this original figure of the estimate to cover the estimated cost of such additions as they made; in other words, to get a total estimated cost figure.

Mr. BURDICK. There have been additions made that, on the basis of their figures, would bring the total cost up to \$15,000,000, approximately, on the basis of their estimated costs.

Mr. FULTON. And, of course, your fee was based on the estimated cost and the additions to your fee would be based only on additions to the work.

Mr. BURDICK. That is correct.

Mr. FULTON. So that, in a sense, if your fee was calculated percentagewise on the estimate, it would have been on a \$15,000,000 estimate as contrasted with the actuality of thirty-five million.

Mr. BURDICK. I understand that is the way it was computed.

Mr. FULTON. That being so, it is only the accident of a mistake in estimate which prevented your fee from being based on a \$35,000,000 base. In other words, your fee would have been higher by the application of the yardstick they used if they had known the actual cost as it actually turned out to be.

Mr. BURDICK. I don't know as to that. I don't know how they arrived at their fee. I presume it had some reference to the cost of the job and the scope of the work that was to be done.

Mr. FULTON. What was the total original fee agreed upon?

Mr. BURDICK. \$44,600.

Mr. FULTON. And what will it be as adjusted to take care of the extra additions?

Mr. BURDICK. \$73,087.

Mr. FULTON. Have you made any arrangement of any kind to pay any part of that or any other sum to any intermediary?

Mr. BURDICK. We have not.

Mr. FULTON. And have you ever been approached by anyone with the suggestion that he could assist you in a consultative or other capacity?

Mr. BURDICK. We have not.

Mr. FULTON. And have you ever approached anyone yourself?

Mr. BURDICK. We have not.

Mr. FULTON. As I understood it, the camp was originally to be in Decatur County, Iowa.

Mr. BURDICK. Yes, sir.

Mr. FULTON. At the time of your contract, what information were you furnished with by the Government with respect to water?

Mr. BURDICK. No information with regard to water, except the general specifications for water supply of the camp; that is, what basis the design should be made upon.

Mr. FULTON. Which would tell you the total amount of water that would be needed daily to take care of it?

Mr. BURDICK. That is right.

Mr. FULTON. And aside from the question of how much they needed, you were furnished with no information whatever on water?

Mr. BURDICK. No, sir.

Mr. FULTON. In your case, however, you had had a considerable amount of experience in connection with water matters and other similar public utility matters?

Mr. BURDICK. Yes, sir.

Mr. FULTON. And you had a water engineer in your employ?

Mr. BURDICK. That is correct.

Mr. FULTON. Would you explain to us the facilities that you would have available for determining the amount of water that you could probably expect to receive in that area, and how you would go about it as a business proposition to work up the data on water?

Mr. BURDICK. We have had considerable experience in past years in water supply in the State of Iowa. A dozen or more of the cities have employed us in connection with their water supplies. We have been employed, for instances, at Des Moines, for 35 years in connection with all their water supply enlargements, and we worked at other places.

Before we went out to the job we knew that south central Iowa was a very dry place.

Mr. FULTON. So you would know that without leaving your office?

Mr. BURDICK. That is right.

Mr. FULTON. The nature of an investigation to determine what would be the possibility of developing enough water for this camp

would consist, first of all, in ascertaining what are the sources of supply for the cities in that general locality, which would be public information available to all?

Mr. BURDICK. Partly so; yes, sir; and in the cases of the smaller villages, as soon as we arrived on a job our water engineer began a canvass of the surrounding towns so we knew the sources of water supply in those towns.

Mr. FULTON. For example, with respect to the question of whether artesian wells would be profitable, could you determine to rule that out quickly?

Mr. BURDICK. We could rule that out quickly. Very deep wells are not practicable for a cantonment, an Army camp, because it takes too long to build them. For instance, in the little town where we made our headquarters, Leon, which was the nearest town to the site selected for the camp in Decatur County, a population of 2,100 requires two wells 1,000 feet deep or more, pumping the water from a depth of 500 feet in the ground, and the delivery per well is only about 100 gallons per minute of very hard water, and after investigating the immediate locality we found that there was water enough to provide the farmers from shallow wells, or even for small institutions like the county poor farm, but we very quickly reached the conclusion that there was no possibility of supplying a camp requiring some four million gallons per day from deep ground water sources.

Mr. FULTON. And that would be based largely on simply looking at what other towns in the vicinity had been able to do?

Mr. BURDICK. That is correct.

Mr. FULTON. And would be a comparatively simple job for anyone?

Mr. BURDICK. It would be a simple job for anyone that was familiar with water supply.

Mr. FULTON. Now, at that point, that left you with artesian wells ruled out, and you had to rely on questions of stream flow and possible impounding of water in a reservoir, would you not?

Mr. BURDICK. That is correct. Even before we visited the site we collected from the files in our office such information as we could in reference to the flow of the streams in Iowa, and in the locality of the camp.

Mr. FULTON. That information, in general, would be kept by governmental bodies, would it?

Mr. BURDICK. Yes, sir; the United States Geological Survey keeps such records at scattered places throughout the entire United States.

Mr. FULTON. And from that you would know the rate of flow of the river and, I suppose, questions as to whether it had been subject to impairment in certain years or dry seasons.

Mr. BURDICK. Yes, sir. We knew that all the streams in southern Iowa were seriously impaired in the year 1934, which was an extremely dry year, the driest year and the year of smallest stream flow of any year that has occurred since we have been keeping—since the western country has been occupied and any records have been kept.

Mr. FULTON. And the more variation there would be in the stream flow, especially in a dry year, the larger your plans would have to be for reservoirs and impounding, would they not?

Mr. BURDICK. It is necessary, in developing any surface supply, either to have enough flow at extreme minimum stage of the river to supply the quantity of water needed, or else water has to be collected in the months of the year when there is a surplus of water and stored for use in time of drought.

Mr. FULTON. And in this case what conclusion did you reach as to what amount of water in a number of months' supply you would have to impound in a reservoir in order to be safe?

Mr. BURDICK. I can't for the moment recall just the amount of gallons or acre-feet that we would have to store, but I can express it this way, that ordinarily speaking, the Grand River, which was located about 15 miles west of the camp site, had enough water in it to supply the proposed camp, but at any time a year should be repeated, like the year 1934, there would be a deficiency, and therefore water would have to be stored.

We found an available reservoir site closely adjacent to the place where we would have tapped the Grand River, a reservoir site surveyed by the State in connection with their conservation program, in which it was easily possible to have stored enough water to supply the camp in the driest year that was likely to occur if it could have been captured from the stream.

Now, in order to supply this camp, it was necessary to capture that water in the months of December and January, because our completion date for the camp was the first of February, and the records, so far as they went—and there were only about 12 years' records—indicated that it would have been possible to have captured that water and to have stored it in such portion of the reservoir as we could have built in the month of November, so that in our opinion it was probably feasible to have developed a water supply at that site.

Mr. FULTON. But at a heavy cost?

Mr. BURDICK. It would have been at a heavy cost, and there would be an uncertainty connected with it because there was a comparatively short record from which we could judge as to the availability of water in December and January.

Mr. FULTON. Now, was that estimate of \$1,250,000 for the cost of the reservoir and the pipe line an estimate which your company made?

Mr. BURDICK. The total estimate of the cost of the water supply, as we made it on November 3, was \$1,688,000. That included the distribution system in the camp.

Mr. FULTON. But, of course, you would need a distribution system in any event.

Mr. BURDICK. That is correct.

Mr. FULTON. I believe the figure of approximately a million and a quarter had been furnished as a water-impounding cost.

Mr. BURDICK. Yes, sir.

Mr. FULTON. Was that an estimate which was sufficiently detailed for you to expect that it could be built without being exceeded, or was that based on these various factors of overtime and disorganization of men and a Government contract where haste was necessary as you had to complete it by the first of December?

Mr. BURDICK. We thought so at the time, but I wouldn't say so now.

Mr. FULTON. So it would be an estimate which, in view of the conditions you later found prevailing in camp construction, you would feel should be increased by some unknown amount which you are not now able to estimate?

Mr. BURDICK. It is my opinion now that the figure we made then would probably have been exceeded had we built the plant.

Mr. FULTON. Have you any opinion as to how much?

Mr. BURDICK. No, sir; I have not.

Mr. FULTON. You reached that conclusion, as I understood it, before the 29th of October, or about that time, because a report was rendered around the 29th by the Quartermaster raising the question.

Mr. BURDICK. Yes, sir. The estimate of cost was made a little later. We made a report upon the date you mentioned as to the feasibility of this supply.

Mr. FULTON. What I had in mind is, Could you tell me roughly how many days had been spent by your organization before you were able to reach this report?

Mr. BURDICK. About a week.

Mr. FULTON. About a week?

Mr. BURDICK. Yes.

Mr. FULTON. And that was by a water engineer and several other persons, such as yourself, who had had experience in similar matters?

Mr. BURDICK. Yes, sir.

Mr. FULTON. And your opinion was roughly the same as, but reached separately as a result of a separate investigation, that of the Engineer Corps?

Mr. BURDICK. I knew nothing about any investigation by the Engineering Corps until I came to Washington on this trip.

Mr. FULTON. But your own conclusion was that it would be an expensive and difficult, but possible, operation?

Mr. BURDICK. Yes, sir.

Mr. FULTON. Now, with respect to the railroad at the Fort Leonard Wood project, could you tell us first whether your firm was the firm which located the line of the branch railroad to the Frisco?

Mr. BURDICK. Yes, sir. We are architect-engineers, and as architect-engineers our organization is departmentalized, and our railroad engineer and his department made the investigation with the help and under the advice of Col. Frank Jonah, chief engineer of the Frisco Railroad.

Mr. FULTON. Would you tell us something about the terrain that you had to traverse, and the difficulties that you encountered in laying out a proper line?

Mr. BURDICK. It is in the so-called Ozark Mountains. It is a very difficult piece of railroad construction.

Mr. FULTON. Did you have a great deal of blasting?

Mr. BURDICK. Yes, sir.

Mr. FULTON. And a lot of fills?

Mr. BURDICK. Yes, sir.

Mr. FULTON. Bridge work of any kind?

Mr. BURDICK. Yes, sir.

Mr. FULTON. Well, the cost has been estimated at approximately \$3,000,000; and what estimate would you have as to the cost? Would that be about in line with what you understand it to be?

Mr. BURDICK. Yes, sir; that is our present estimate of what we think the railroad will cost.

The CHAIRMAN. The original estimated cost by the Frisco was \$35,000 a mile, wasn't it?

Mr. BURDICK. I heard that a low estimate had been made.

The CHAIRMAN. That is what the testimony showed yesterday. What made it cost so much more than that? It is going to cost about \$100,000 a mile, isn't it?

Mr. BURDICK. Somewhere in that neighborhood.

Mr. FULTON. The \$100,000 a mile, however, would include all the sidings and other trackage facilities.

Mr. BURDICK. Yes, sir.

Mr. FULTON. And there are only about 17 miles of main line railroad, are there not?

Mr. BURDICK. There are 20 miles, approximately.

Mr. FULTON. Approximately 20?

Mr. BURDICK. Yes, sir.

Mr. FULTON. And in connection with the building of that, when would you have had your line laid out so as to start building?

Mr. BURDICK. We started building almost at once; within a month after we reached the site we had determined where the railroad was to be located.

Mr. FULTON. By that you mean about the 15th of December? You got your contract, or you were directed to go into this area, I believe, some time in November, were you not?

Mr. BURDICK. Yes, sir; shortly after the middle of November. The first railroad work was done about a month after we got to the site. I can't tell you the exact date.

Mr. FULTON. Did you have anything to do with planning the railroad, to determine how the construction should proceed; that is, how many gangs of men or what equipment should be used, and which should be done first?

Mr. BURDICK. That is the contractor's job.

Mr. FULTON. I mean, you were not asked to recommend on that, and you took no position with respect to it?

Mr. BURDICK. No, sir.

The CHAIRMAN. How many different surveys were made for the lay-out of this railroad?

Mr. BURDICK. They were working on surveys from the middle of November until about the first of February, or shortly after the first of February. They were surveying all that time.

The CHAIRMAN. Was any effort made to get a water grade up the Gasconade River and the Piney River?

Mr. BURDICK. No, sir.

The CHAIRMAN. Don't you think a water grade would be feasible in that neighborhood?

Mr. BURDICK. I don't know, sir. You understand that camp work differs from ordinary construction work. The orderly construction of any large undertaking under peace conditions, under ordinary

building conditions, has an investigation stage, a planning stage, and a construction stage. Now, in connection with a project like a cantonment such as Fort Leonard Wood, all these stages are substantially merged into one. There was very little preliminary investigation—none so far as we were concerned. The planning had to be done simultaneously with getting the equipment together and the ordinary process of orderly construction had to be coalesced in such a way that everything goes together in connection with it, and our investigation as to where the railroad should run was made by our railroad department, in consultation with Colonel Jonah from the investigation of the contour maps. The contour maps, being of comparatively small scale, have to be reinforced and detailed by surveys to determine the feasibility of a line at any location. And the line that we have selected and built is the result of that actual surveying on the ground on a railroad line that seemed to be the most feasible railroad line after an examination of the contour maps of the locality, and actual surveys.

Mr. FULTON. Did you, in your work on the camp, meet a situation in any place where the Quartermaster General's Corps took the position, or where the corps area commander took the position, that buildings should be built in a location other than the ones that you recommended?

Mr. BURDICK. Well, in some respects; yes. Our whole job was a cooperative job between the military authorities and the construction industry. We and the contractor and the constructing quartermaster, representing the construction industry—we necessarily had to take the information in regard to the military requirements from the military organization. As soon as we reached the site, having some knowledge of what was required, having been through the same thing up at Leon and having been through the same thing on other jobs, we made a lay-out, the best we could, from our known information about the requirements of the camp, and within a week after we reached the Fort Leonard Wood site we had a conference on the site with General Bishop, commander of the Seventh Corps Area.

Mr. FULTON. By that time how much surveying had you been able to accomplish?

Mr. BURDICK. Well, we had been surveying, but we had contour maps, you understand, of the Fort Leonard Wood site. We had no such maps on the Decatur County site.

Mr. FULTON. I understand, but I just want to make a point, if it is true, that with contour maps you were able, largely, to determine the general outlines of where the buildings should be located.

Mr. BURDICK. That is right. That is, we didn't locate the buildings, specifically, but we located the areas, the regiments, and General Bishop examined that plat on the ground with us and gave it his tentative O. K., and we then started to lay out each regiment, to lay out the camp, regiment by regiment, and the lay-out was not entirely completed until comparatively recently, and the camp is well under way.

Mr. FULTON. So, as I understand it, the general location of at least the areas to be occupied by each particular regiment was determined from contour maps, and then you surveyed the areas selected in order to make a specific lay-out of the exact location of the barracks and mess halls and other buildings.

Mr. BURDICK. That is right. The original maps of the United States Geological Survey were supplemented by the engineers of the United States Geological Survey. That is, our contours were 20-foot contours on the original map, and that is quite a large contour interval, and it makes it difficult to locate on it. The United States Geological Survey went in there, I suppose at the request of the Seventh Corps Area, and were already at work in surveying the land more accurately, and as they completed each small piece, that piece of the survey was printed and enlarged and put on maps that we could use for location purposes.

Mr. FULTON. Now you were saying that there were, of course, some differences, but I wanted to get just the general understanding from you as to whether those differences in any instance would constitute a major increase of cost.

Mr. BURDICK. No, sir; I think it did not. Understand that I don't want to convey the impression that there were differences. We laid out the map, we laid out the plan as we thought would meet their requirements, and then we submitted it to them and they made criticisms on it, and we changed it to suit their military requirements in very many cases, practically every unit that we had, but that didn't particularly increase the cost of the camp nor delay it.

Mr. FULTON. That would be a natural and necessary function of the two working together?

Mr. BURDICK. That is right.

Mr. FULTON. You mean there was no real difference in the sense that you had occasion to locate buildings in one area and were subsequently instructed to locate them in an area different from that because cost was to be disregarded in favor of military necessity?

Mr. BURDICK. No; there was no case that I know of where we were instructed that cost should be disregarded. The question always came up as to the feasibility from a rapid-construction standpoint and a cost-construction standpoint, and the locations were made after conferences as to the adequacy and usefulness of the structures for Army purposes.

The CHAIRMAN. That is all, Mr. Burdick.

(The witness, Mr. Burdick, was excused.)

The CHAIRMAN. Mr. Parrott.

Will you state your name and your connection with Camp Leonard Wood, please?

TESTIMONY OF F. W. PARROTT, SECRETARY AND TREASURER, C. F. LYTLE CO., SIOUX CITY, IOWA

FORMATION AND ACTIVITIES OF FOUR-COMPANY CONTRACTING GROUP FOR CONSTRUCTION OF FORT LEONARD WOOD

Mr. PARROTT. F. W. Parrott, secretary and treasurer of the C. F. Lytle Co., one of the contracting companies.

The CHAIRMAN. How many contracting companies are there?

Mr. PARROTT. Four contracting companies.

The CHAIRMAN. Will you name them for the record, please?

Mr. PARROTT. The companies are W. A. Klinger, Inc., of Sioux City, Iowa; Western Contracting Corporation, of Sioux City, Iowa;

C. F. Lytle Co., of Sioux City, Iowa; Arthur H. Neumann Bros., Inc., Des Moines, Iowa.

Mr. FULTON. Were those four companies associated together in any work prior to the work that they undertook at Fort Leonard Wood?

Mr. PARROTT. The C. F. Lytle Co. and the Western Contracting Corporation some 5 or 6 years ago built a project jointly.

Mr. FULTON. How large a project was that?

Mr. PARROTT. About a million and a quarter, on a lump-sum contract in western Nebraska.

Mr. FULTON. And with that exception, the four companies had never had any joint work; is that correct?

Mr. PARROTT. That is true.

Mr. FULTON. Would you tell us something of the reasons for the formation of the four-company group, and also discuss generally the negotiations that led up to the obtaining of the contract at Fort Leonard Wood?

Mr. PARROTT. The four individual companies filed statements of their experience and financial statements with the committee handling applications from contractors, and from the contacts had with that committee it was evident that some combination would be necessary in order to secure a contract of the size involved.

Mr. FULTON. That would mean, then, that there had been contacts prior to that time. Would you tell us what the first contacts were?

Mr. PARROTT. You mean between the contractors?

Mr. FULTON. Between the contractors or any person in any way representing any of the contractors, and the governmental body. How did the whole thing originate?

Mr. PARROTT. Speaking for the company which I represent—

Mr. FULTON. I understood you represented the group.

Mr. PARROTT. Not prior to the award of the contract.

Mr. FULTON. Are you familiar with the facts prior to the award?

Mr. PARROTT. Yes, sir.

Mr. FULTON. Then you would speak for the group, being familiar with the facts.

Mr. PARROTT. Each of the contracting companies contacted the committee which was making the award of contracts, during the time these companies' representatives were in Washington.

Mr. FULTON. By contacting the committee, I assume that had to be through a representative.

Mr. PARROTT. Yes, sir.

Mr. FULTON. Who were the representatives?

Mr. PARROTT. I represented the C. F. Lytle Co.; Mr. Klinger represented the W. A. Klinger, Inc.; Mr. Hubert Everist represented the Western Contracting Corporation; and Mr. Arthur H. Neumann represented the Arthur H. Neumann Bros., Inc.

Mr. FULTON. And those were in each instance responsible officials of one of the contracting companies and not persons who had been selected by them as representatives?

Mr. PARROTT. Each of those parties are officers of the companies they represented.

Mr. FULTON. And had been?

Mr. PARROTT. And had been for a period of years.

Mr. FULTON. Was there any person other than those four who was not an employee of the Government at the time with whom any one of you four people had any discussion concerning the obtaining of Government contracts?

Mr. PARROTT. There was not.

Mr. FULTON. You know that of your own knowledge?

Mr. PARROTT. I do.

Mr. FULTON. Would you proceed from that point?

Mr. PARROTT. The companies first filed their individual applications with the War Department. Then they filed a joint application in which they offered their services jointly. Shortly following that time they were called into Washington to negotiate with the committee making the awards concerning the award of this particular contract.

Mr. FULTON. Now, before that, you said you had filed jointly. Was that joint filing as a result of a suggestion that was made to you or a discussion that you had with anyone in the War Department?

Mr. PARROTT. Yes, sir.

Mr. FULTON. With whom?

Mr. PARROTT. The committee who was passing upon the applications.

Mr. FULTON. You mean the committee consisting of Mr. Blossom, Mr. Harvey, and various others? ¹

Mr. PARROTT. Yes, sir. This committee did not suggest any particular combination, but they suggested a combination of contractors.

Mr. FULTON. And did they make any statement other than that?

Mr. PARROTT. No, sir.

The CHAIRMAN. During this negotiation, you were expecting to build a camp in Iowa, were you not?

Mr. PARROTT. We were not filing with any reference to any particular project in the beginning, but soon after this filing we became aware of the fact that this camp was to be built in Iowa, and made contact with the committee concerning that particular project.

Mr. FULTON. And then you say you were called to Washington and told that they desired to negotiate a contract?

Mr. PARROTT. Yes, sir.

Mr. FULTON. Which committee was that? Was that the one you had been discussing this with before?

Mr. PARROTT. That is the Harvey-Blossom-Dresser Committee.²

Mr. FULTON. They called you to Washington and said that they wanted you to negotiate a contract?

Mr. PARROTT. Yes, sir.

Mr. FULTON. Could you tell me as exactly as you can, exactly what was said by whom, and what was replied?

Mr. PARROTT. I think that Mr. Harvey contacted Mr. W. A. Klinger, of Sioux City, and told him that the four contractors should appear in Washington as they were being considered for the award of this particular contract. We were asked to appear here at a certain time.

Mr. FULTON. And when you appeared, did you appear before the Harvey committee?

¹ Construction Advisory Committee, Quartermaster General's Office, War Department.

² Ibid.

Mr. PARROTT. Mr. Klinger and I appeared before the Harvey committee in response to that call.

Mr. FULTON. What took place there?

Mr. PARROTT. They referred us to Mr. Loving's office.

Mr. FULTON. And what was said in Mr. Loving's office?

Mr. PARROTT. Mr. Loving stated that we were having consideration as the contractors for this project and he asked us to fill out a questionnaire jointly.

Mr. FULTON. Was anything else said at that time?

Mr. PARROTT. Not at that particular time; no, sir.

Mr. FULTON. You filled out the questionnaire and then had a second conference?

Mr. PARROTT. We filled out the questionnaire, presented that to Mr. Loving; a conference lasting probably 2 hours took place at the end of which time Mr. Loving stated that we were his selection for the construction of the project.

Mr. FULTON. Was there a discussion as to the fee?

Mr. PARROTT. There was.

Mr. FULTON. What was the nature of that?

Mr. PARROTT. Mr. Loving presented figures showing the amount of the fee they proposed to pay and stated that that was in line with the fee being paid on other projects of a similar nature. Beyond that I don't recall that there was any discussion.

Mr. FULTON. In other words, you accepted the fee as proposed to you.

Mr. PARROTT. That's correct.

Mr. FULTON. And how much was the amount of the fee?

Mr. PARROTT. Two hundred fifty-eight thousand some-odd dollars. I can't recall the exact amount.

Mr. FULTON. Which was to be adjusted to the extent that there were additions?

Mr. PARROTT. That is true.

Mr. FULTON. And I assume that you have applied or will apply for an adjustment?

Mr. PARROTT. That is true.

Mr. FULTON. How much will be the fee, as adjusted, as you now estimate?

Mr. PARROTT. I have no knowledge as to what the fee will probably be for the entire project.

Mr. FULTON. Well, how much do you estimate it to be?

Mr. PARROTT. I have not made any estimate on it.

Mr. FULTON. Well, will you do so?

Mr. PARROTT. Yes, sir.

Mr. FULTON. As I understand, the contractor is supposed to make a claim within a specified number of days for an addition to the fee, and I would therefore assume that you would at least keep track of what you thought it should be.

Mr. PARROTT. I might cover that point, if you please, by stating that the contractors were notified of the changes and certain proposed changes in the fee; and, inasmuch as the contract provides that some claim must be made within 10 days, if that amount is not acceptable, the contractors did make reply within the 10-day period, but did not make claim for any fixed amount.

Mr. FULTON. How much was the proposed change as noted by the Government's notice to you?

Mr. PARROTT. The proposed change at that time, which was about the middle of February, I think, increased the total fee to around \$390,000.

Mr. FULTON. And it is the position of the contractors that they will make claim in addition to that?

Mr. PARROTT. Yes, sir.

Mr. FULTON. And you are unable to estimate how much?

Mr. PARROTT. No estimate has been made yet as to the amount of the claim we expect to request.

Mr. FULTON. Now, how was that fee to be divided among the contractors? In what proportion?

Mr. PARROTT. The Western Contracting Corporation was to receive 30 percent; the C. F. Lytle Co., 30 percent; the W. A. Klinger, Inc., 20 percent; Arthur H. Neumann & Bros., Inc., 20 percent.

Mr. FULTON. Now, is that in proportion to the assets that the companies had?

Mr. PARROTT. There was a further provision in the agreement among the four contractors that the two companies receiving the larger portion of the fee were to do most of the financing.

Mr. FULTON. But that fee is not based on the asset position of the various companies, is it?

Mr. PARROTT. Not directly; no, sir.

Mr. FULTON. It is not based on the equipment that they have furnished, is it?

Mr. PARROTT. No; it is not.

Mr. FULTON. And it is not based on the number of key personnel that they have furnished, is it?

Mr. PARROTT. To a certain extent, it is. The two companies receiving the major portion of the fee are larger companies. They have greater assets—

Mr. FULTON (interposing). So I understand.

Mr. PARROTT. Greater organization, more key personnel available, and more equipment.

Mr. FULTON. So I understand, but their percentage might even be greater, from an asset standpoint, than the 30 percent, isn't that true?

Mr. PARROTT. That is true.

Mr. FULTON. So I mean this is not based on personnel or assets in any ratio.

Mr. PARROTT. In no fixed ratio, no.

Mr. FULTON. How is it determined? On what was it really based?

Mr. PARROTT. By negotiation among the four contracting groups.

Mr. FULTON. For example, the W. A. Klinger Co. is very much smaller than the Western Co. and the Lytle Co., is it not?

Mr. PARROTT. That is true.

Mr. FULTON. And wouldn't bear anywhere near the relationship of 20 percent to the total.

Mr. PARROTT. That is true.

Mr. FULTON. Why would it be given as high a percentage as 20 percent?

Mr. PARROTT. The smaller companies are building contractors. They had certain knowledge concerning building construction.

Mr. FULTON. What camps did they build?

Mr. PARROTT. They had not built any camps.

Mr. FULTON. What projects of comparable character would cite for them?

Mr. PARROTT. They had not built any projects of this nature that I know of, but they had been engaged in general building construction over a period of years.

Mr. FULTON. And by that, do you mean office buildings?

Mr. PARROTT. Office buildings, commercial buildings, and the like.

Mr. FULTON. And was it because of that that they were given this larger proportion of percentage?

Mr. PARROTT. I would say yes.

Mr. FULTON. Do you know? I mean, when you say yes—

Mr. PARROTT (interposing). As I stated a moment ago, the division of the fee was arrived at by negotiations between the four companies and all of the—

Mr. FULTON (interposing). You were present during the negotiations?

Mr. PARROTT. Yes, sir.

Mr. FULTON. Now was any statement made by anyone in connection with those negotiations and in attempting to get a larger proportion, as to his position in obtaining the contract?

Mr. PARROTT. No; that was not made an issue at any time.

Mr. FULTON. It was not discussed at all?

Mr. PARROTT. I do recall that it was.

Mr. FULTON. Do you recall that it was not?

Mr. PARROTT. My best recollection is that it was not.

Mr. FULTON. And was there any mention by any of these persons at this conference of his own particular position or the work that he was doing, or anything in the nature of the extent to which he would be contributing a larger amount of time or service to this project than anyone else?

Mr. PARROTT. No; that was not taken into account in the division of the fee.

Mr. FULTON. The only thing taken into account was the question of the building experience of the two smaller companies as offsetting, in part, the smallness of their contribution from an asset, personnel, or equipment standpoint, is that correct?

Mr. PARROTT. That is correct.

Mr. FULTON. Now, what arrangement was made between the companies as to how they would carry on their operations?

Mr. PARROTT. It was agreed that the four companies would be represented by a general manager and a project manager who would have full authority to direct the operations.

The CHAIRMAN. Was there a number of subcontractors on this job?

Mr. PARROTT. Yes, sir.

The CHAIRMAN. How many of these subcontractors went broke?

Mr. PARROTT. I cannot state that any of them have gone broke.

The CHAIRMAN. I have just been informed that the plumbing contractor has thrown up his contract, and you have taken over.

Mr. PARROTT. The plumbing contractor has fallen down on the completion of his work and the bonding company and the general contractor are taking it over.

The CHAIRMAN. He went broke then, didn't he?

Mr. PARROTT. I don't know whether he's broke or not.

The CHAIRMAN. He evidently is, or he would have carried on the contract.

How about the electrical contract?

Mr. PARROTT. The electrical contractors are proceeding with their work.

The CHAIRMAN. Was a fixed fee guaranteed to these men?

Mr. PARROTT. No; all subcontracts for the plumbing, heating and electrical work were let on a lump-sum basis.

Mr. FULTON. How much did they total?

Mr. PARROTT. Roughly, two and a half million dollars.

Mr. FULTON. Was any deduction made from the fee by reason of the subcontracts that were let?

Mr. PARROTT. No; those were not taken into account in any way in connection with the fee.

Mr. FULTON. Had there been a discussion of that with Mr. Loving at the time you negotiated with him?

Mr. PARROTT. The general contract was negotiated with Mr. Loving. It was understood that the plumbing, heating, and electrical work would be sublet.

Mr. FULTON. Now, the two-and-half-million figure, is that a final-estimate figure. Is that your present estimate of what the final figure will be?

Mr. PARROTT. That is as nearly as I can recollect the exact figure. That can be produced.

Mr. FULTON. This project manager was a man who would be on the job as a kind of general superintendent, or would that be the general manager?

Mr. PARROTT. The project manager was the man who was to direct the project and be on the project at all times.

Mr. FULTON. And has that man been changed, or is it the same man you originally took?

Mr. PARROTT. That has been changed.

Mr. FULTON. When was it changed?

Mr. PARROTT. About the first week in January.

Mr. FULTON. Why was it changed?

Mr. PARROTT. When the construction work was first begun, the members of the four contracting firms asked Mr. Arthur H. Neumann of the Arthur H. Neumann Bros., Inc., to take charge of the job as project manager. He agreed to do so and did have charge of the work up until about, I think, the 6th of January.

At the time the work was commenced, it was largely building construction. The project, as has been stated, was located in southern Iowa. It was moved to a point in the Ozark Mountains, which change in the site made necessary a great deal of additional construction of a nature other than building construction.

Mr. FULTON. As, for example, what?

Mr. PARROTT. The railroad, the extension of the utilities, more difficult construction concerning the water and sewer systems, so

Mr. Neumann suggested, and the other contractors concurred in the idea, that we hire a man of wide construction experience to take charge of the job and direct it on the ground.

Mr. FULTON. Had that been suggested by anyone else, other than the contractors?

Mr. PARROTT. It had not.

Mr. FULTON. Was it a suggestion that came solely from within the contracting organization?

Mr. PARROTT. It came solely from within the contracting organization.

Mr. FULTON. Because Mr. Neumann was found not to be qualified to continue the work?

Mr. PARROTT. I would not say that; I would say that because of the increased scope of the work, it needed someone with broader experience.

Mr. FULTON. Now whom did you substitute?

Mr. PARROTT. The contractors hired Mr. Lee H. Huntley.

Mr. FULTON. And what railroad construction experience had he had?

Mr. PARROTT. I cannot recite offhand Mr. Huntley's experience, but he had had about 20 to 30 years' experience in heavy construction work of all kinds in the United States, Mexico, South America, and with some very large contracting organizations.

Mr. FULTON. And was any part of that railroad construction experience?

Mr. PARROTT. I cannot recall whether it was or not.

Mr. FULTON. Well, then, the reason that you substituted the man was to get somebody who knew something about railroad construction. You don't recall whether the man you put in knew anything about railroad construction; is that right?

Mr. PARROTT. Anyone who had had construction——

Mr. FULTON. My question was that you don't recall whether the man you put in, because you found railroad experience necessary, had any railroad experience at all. Is that correct?

Mr. PARROTT. I do not recall whether Mr. Huntley had had railroad construction experience or not.

Mr. FULTON. And yet, I thought you said a few minutes ago that it was railroad construction which led you to make the change.

Mr. PARROTT. The nature of that work would be similar to other work in which Mr. Huntley had been engaged.

Mr. FULTON. Was there any man who did have railroad-construction experience whom you considered for this job; and, if not, why didn't you get a railroad man?

Mr. PARROTT. Several men with railroad-construction experience were employed under Mr. Huntley's direction.

Mr. FULTON. But I mean—the question I had in mind concerns the railroad itself, which was more or less a separate project. Why was that not put under a railroad man?

Mr. PARROTT. A railroad man would not, in all probability, have had experience with the other features of the work. Mr. Huntley had charge of the entire project.

Mr. FULTON. I am not talking about the entire project. I am talking about the railroad, which was a \$3,000,000 project in and of itself.

The question is, Why would you not get a railroad-construction man and put him in charge of that project?

Mr. PARROTT. In charge of the entire project?

Mr. FULTON. No; in charge of the entire railroad project.

Mr. PARROTT. We did that.

Mr. FULTON. Who was that?

Mr. PARROTT. Mr. Mike Curran.

Mr. FULTON. And what construction experience had he had in railroad construction?

Mr. PARROTT. He had worked for the Frisco Railroad.

Mr. FULTON. In what capacity?

Mr. PARROTT. As superintendent of construction.

Mr. FULTON. And what line had he constructed?

Mr. PARROTT. I do not know what particular line.

Mr. FULTON. Had he constructed any?

Mr. PARROTT. Yes, sir.

Mr. FULTON. You do know that he had constructed a line?

Mr. PARROTT. I do know that he had construction experience with the Frisco Railroad.

Mr. FULTON. Well, no; I am talking not about construction experience in the sense that he may have built a spur or a sidetrack. I am talking about whether he built a line of railroad of comparable character.

Mr. PARROTT. I cannot say as to that.

Mr. FULTON. And did you make an investigation as to that? In other words, for the \$390,000 management experience, I am asking whether the contractors made an investigation to see whether they could find a man who had actually had railroad-construction experience of comparable character, because there were such people in the country.

Mr. PARROTT. We had several such people employed.

Mr. FULTON. Well, you do now recall that there were people employed there who actually had constructed railroads of comparable character to this?

Mr. PARROTT. I cannot state definitely what these people had done in the way of construction work. I do know that they had experience in that line of work.

Mr. FULTON. Experience in railroad work is one thing. The question is, Did they have experience in comparable construction? I just want to know whether you even ascertained that.

Mr. PARROTT. Mr. Huntley was responsible for employing these men and seeing that they were qualified to perform the work assigned to them.

Mr. FULTON. So far as you are concerned, anyhow, you didn't; is that correct?

Mr. PARROTT. I was told that the investigation had been made and these men had the required experience.

Mr. FULTON. Now, Mr. Huntley was being paid by whom?

Mr. PARROTT. Mr. Huntley's salary was paid in part by the Government and in large part by the four contractors.

Mr. FULTON. In what proportion would the company pay his salary?

Mr. PARROTT. In other words, there is a limit on the amount of salary to be paid any employee on a reimbursable basis.

Mr. FULTON. And how much did the Government pay him, and how much did the contractors pay him?

Mr. PARROTT. The Government was paying Mr. Huntley at the rate of \$9,000 a year. The contractors were paying Mr. Huntley a total salary of \$24,000 a year.

Mr. FULTON. At the rate, then, of \$15,000 per year, is that correct?

Mr. PARROTT. In addition; yes, sir.

Mr. FULTON. Or, since it is a 6-month job, that would be \$7,500. What I was trying to ascertain is, What did the contractor for this fixed fee, aside from a portion of Mr. Huntley's salary, contribute to the very important matter of selecting the railroad engineer to build this railroad. Because if it is only contributing Mr. Huntley whose salary is being paid, the Government, of course, could retain Mr. Huntley directly, and not the contractors.

Mr. PARROTT. First of all, let me state that the contractors had just completed a railroad project in Colorado and their equipment and personnel was moved from that project to the project at Rolla, Mo.

Mr. FULTON. Which contractor was that?

Mr. PARROTT. The Western Contracting organization.

Mr. FULTON. What was that project?

Mr. PARROTT. That was known as the Caddoa project.

Mr. FULTON. What was it?

Mr. PARROTT. Sir?

Mr. FULTON. What was it?

Mr. PARROTT. It was the construction of about 20 miles of main line.

Mr. FULTON. Didn't they have an engineer on that?

Mr. PARROTT. They did.

Mr. FULTON. And what was his name?

Mr. PARROTT. They had Mr. Harvey.

Mr. FULTON. And did they bring him to this project and put him in charge?

Mr. PARROTT. They did not place him in charge. They placed him in a responsible position in the work.

Mr. FULTON. Had he been in charge of the other project?

Mr. PARROTT. Not as general superintendent; no, sir.

Mr. FULTON. Who had been?

Mr. PARROTT. I am not informed as to whom their general superintendent was on that project.

Mr. FULTON. Well, are you informed as to why that man who had had 20 miles of main-line-construction experience was not put in charge of this project?

Mr. PARROTT. An effort was made to select someone who had even more experience than this party who had the project in Colorado.

Mr. FULTON. Well, was the effort successful?

Mr. PARROTT. I would say so.

Mr. FULTON. Then you know that the man who was retained had more experience than the 20 miles of construction?

Mr. PARROTT. Yes.

Mr. FULTON. And was a more-experienced railroad man?

Mr. PARROTT. Yes, sir.

Mr. FULTON. And now in connection with Mr. Neumann, I note here that from a schedule which was furnished to me by your office

this morning, at about 10 o'clock, a very, very small fraction of the labor time on this project had been completed by the 6th of January.

Mr. PARROTT. That is true.

Mr. FULTON. Is that not correct?

Mr. PARROTT. That is true.

Mr. FULTON. So after more than 2 months, approximately two and a half months, after you got the contract, you had only done a relatively small fraction of the work of this project.

Mr. PARROTT. That is true, but that in my opinion has no reflection upon the man who occupied the position of project manager, because that was during the period when all the preliminary work was being done and the project organized.

Mr. FULTON. Well, let's see. On the 15th of December, I note here in looking at this chart that you had only about 200 men employed. Is that correct?

Mr. PARROTT. That is correct.

Mr. FULTON. Well, what possible excuse is there for not having more than 200 men on a project, where you ultimately used over 30,000, at the time when you had 2 months' time to get your organization?

Mr. PARROTT. We were waiting for a right-of-way and for plans in the laying out of the work.

Mr. FULTON. Is it your position that the architect engineer was holding you up by not giving you plans.

Mr. PARROTT. Quite naturally; it would take the architect-engineer some time to——

Mr. FULTON (interposing). That wasn't my question. I mean, Was it a fact that you had men ready to go to work that you could not put to work because you were not given plans by the architect-engineer in time for you to do it?

Mr. PARROTT. I would say in a general way that that were true.

Mr. FULTON. Now, being specific, with respect to the railroad, was that true of the railroad?

Mr. PARROTT. That was true of the railroad.

Mr. FULTON. Now, with respect to the hospital, is it true of the hospital?

Mr. PARROTT. As I recall, the location of the hospital area, there was a considerable amount of grading involved before the building-construction program could be started in that area.

Mr. FULTON. Well, now, specifically, Did the architects fail to give you by the 14th of December enough work to keep more than 200 men busy, because that is a terrible indictment of the architect if it is true?

Mr. PARROTT. There was a question of procurement of right-of-way involved, I know——

Mr. FULTON (interposing). But specifically; would you answer the question by saying that you didn't have by the 14th of December enough possible work to keep more than 200 men busy?

Mr. PARROTT. I wouldn't say that.

Mr. FULTON. Well, then, you would say that your company did not put as many men on the job by the 14th of December as it could profitably have put to work?

Mr. PARROTT. No; the contractors employed men on this project as rapidly as it was practical to do so.

Mr. FULTON. Do you mean by that that there were less than 200 men who were available in your organization to work on this job or in the area, whom you could have obtained?

Mr. PARROTT. There were plenty of men available.

Mr. FULTON. Well, then, you mean that the contractor, although he could have put the men to work, did not actually do it by the 14th of December.

Mr. PARROTT. The contractor put men to work as early as it was possible to do so.

Mr. FULTON. Then, your position is that it would be impossible to put more than 200 men to work before the 14th of December, although you found it necessary later to use 30,000 men and more than 3,000,000 hours of overtime.

Mr. PARROTT. My recollection is that the order to proceed on this work came some time after the 1st of December, and you are talking about a period which was about the time when the project got under way.

Mr. FULTON. I am talking about the period of December 14 and, if our information yesterday was correct, the order came on November 5 to change the location of the camp to this area.

Mr. PARROTT. That is not the case. The order came to transfer, I think, on the 18th of November.

Mr. FULTON. So until the 18th of November, you had made no plans whatever with respect to the location at Rolla, Mo., is that correct?

Mr. PARROTT. It was the 18th of November before we knew that the camp was going to be built at Rolla, Mo.

Mr. FULTON. When were you ordered to cease work in Iowa?

Mr. PARROTT. On or about November 12.

The CHAIRMAN. How much work did you do on the camp in Iowa?

Mr. PARROTT. No actual construction work was performed. We moved in several pieces of equipment and located a temporary office and commenced building an organization.

The CHAIRMAN. How much equipment did you have to rent for this job?

Mr. FULTON. I understand another officer will be available for statistics of that type, Mr. Parrott. Mr. Dunn, I believe, could give you that information now.

Mr. PARROTT. Mr. Dunn is here. He has the statistical information. He can contribute that at this time or at such future time as you desire.

The CHAIRMAN. We will question Mr. Dunn when he gets to the stand.

Mr. FULTON. Then, as I understand you, between the period when your contract was signed, which I think was about the 21st of October and November 18 the only thing that the contractors had done was to erect a temporary shed; or several sheds, in Iowa; is that correct?

Mr. PARROTT. Let me outline that period to you, if I may. The contract was awarded and signed on the 14th of October. The contractors immediately proceeded to Leon, Iowa, where they were told the camp was to be built. Driving there, they found there was some discussion as to whether it was to be near Leon or near the town of Lineville. That matter was under consideration for some little time. Then the question arose—

Mr. FULTON (interposing). Well, while it was under consideration what were the contractors doing?

Mr. PARROTT. Absolutely nothing other than organizing their key men and getting them to the project, but we had no work that they could perform and we were not authorized to build up a pay roll until there was something that we could actually work at.

Mr. FULTON. Then the answer would be, Absolutely nothing except getting the organization together—which they were representing they already had; isn't that correct?

Mr. PARROTT. Yes; but the organization had to be moved to Iowa from other projects.

Mr. FULTON. But, as far as the Iowa site was concerned, they were doing absolutely nothing.

Mr. PARROTT. That is true. There was no site designated.

Mr. FULTON. And that is because of what? Did the architect-engineer fail to designate a site, or was it the Army that failed?

Mr. PARROTT. I am not informed as to who was making the selection.

Mr. FULTON. Who informed you that there was no work which could be done during that time?

Mr. PARROTT. The fact that no site had been selected, definitely selected for the project, was what—

Mr. FULTON (interposing). My point was this: I suppose you went to the Army quartermaster in charge and suggested to him that he would be able to get some men there that could do some work and you wanted to be told what work could be done. Whom did you go to and what did he say?

Mr. PARROTT. Naturally we contacted the constructing quartermaster.

Mr. FULTON. And what did he say when you asked him if there was any work at all of any kind or nature that you could profitably do during that period of good weather?

Mr. PARROTT. He had no plans and he did not know where the project was going to be built.

Mr. FULTON. And he informed you that there was no work of any kind that could profitably be done at that time?

Mr. PARROTT. That is true.

Mr. FULTON. And what was his name?

Mr. PARROTT. Lieutenant Colonel Collins.

Mr. FULTON. When did he inform you that there was some work that you could profitably do?

Mr. PARROTT. Before he informed us of any work that could be done, the site of the project was transferred to Rolla, Mo.

Mr. FULTON. Which I think you said was November 18.

Mr. PARROTT. On November 18, the order was issued to transfer the project to that point.

Mr. DUNN. May I correct that? It was November 13.

Mr. FULTON. November 13. So that for a period of from October 14 to November 13, absolutely nothing was done because the Army informed you that there wasn't any work of any kind that you could profitably do. Is that right?

Mr. PARROTT. Yes; that's right.

Mr. FULTON. And now, on the 13th of November, you were informed that you should start the site at Rolla, Mo.?

Mr. PARROTT. That was verbal information. The official order, I think, came on the 18th.

Mr. FULTON. On the 13th, what did you proceed to do? How many men did you transfer to the job, and what did they do?

Mr. PARROTT. We transferred a number of men to the site near Rolla, Mo., that is, to the towns closest to the project.

Mr. FULTON. What work did you do?

Mr. PARROTT. We set up an office organization, purchasing department, accounting department.

Mr. FULTON. Hadn't you already done that?

Mr. PARROTT. Yes; that had been set up at Leon, but we transferred those people to Missouri and they continued their work of getting their contacts with vendors, and saw that when the work was ready to proceed, they could proceed as expeditiously as possible.

Mr. FULTON. When did you first put a man to work at Rolla, Mo., doing anything at all, in the sense of actually constructing any part of that project?

Mr. PARROTT. At the time we transferred our office organization from Iowa to Missouri, which was about the 13th or 14th of November.

Mr. FULTON. Now exactly what did this man do that you put to work on a construction project?

Mr. PARROTT. There was no construction work that could be done.

Mr. FULTON. My question related solely to that. When did you first have a man who did so much as lift a shovel on this project?

Mr. PARROTT. I cannot answer that question myself.

The CHAIRMAN. Is there anyone here who can?

Mr. PARROTT. Mr. Dunn can answer that question.

Mr. DUNN. I think it was December 2.

TESTIMONY OF E. W. DUNN, C. F. LYTLE CO., SIOUX CITY, IOWA

Mr. FULTON. How many men were there on December 2 who were actually working on construction work as distinct from this office work?

Mr. DUNN. I would estimate about 100 men.

Mr. FULTON. About 100 men. What were they put to work doing?

Mr. DUNN. Hauling lumber, organization, building equipment.

Mr. FULTON. So that it means that from October 14 to December 2, not even a shovel was lifted on this job; is that correct?

Mr. DUNN. There was some investigation work done on the camp site prior to that.

Mr. FULTON. I was talking of construction work. What construction work was done prior to that?

Mr. DUNN. No construction work.

Mr. FULTON. So that as far as lifting a shovel to start this job, it started on the 2d of December.

Mr. DUNN. Unloading and hauling equipment is construction work, and unloading and hauling lumber is construction work, too.

Mr. FULTON. When you unloaded the equipment, did you put it to work?

Mr. DUNN. No, sir; we unloaded the equipment and held it pending orders.

Mr. FULTON. And was rental paid on it from that time on?

Mr. DUNN. Rental and the equipment had started December 1. It already had been on the job 4 or 5 days.

The CHAIRMAN. How much equipment did you rent on that job?

Mr. DUNN. We estimate that we have leased approximately \$4,000,-000 worth of equipment, besides what the contractors own themselves.

The CHAIRMAN. In proportion to what the contractors own, which was greater, what you rented, or what the contractors owned?

Mr. DUNN. What was rented was approximately four times what the contractors owned.

Mr. FULTON. So the contractors owned about one-fifth of the equipment?

Mr. DUNN. Approximately.

Mr. FULTON. Now as to this equipment, do I understand that you had arranged for it to arrive on the job on the 1st of December and not before?

Mr. DUNN. Between November 13 and November 25, we made arrangement to ship in the contractors' own equipment from the various projects in which it had been engaged.

Mr. FULTON. What arrangements had you made in the middle of October to ship the equipment at once to this project and start work?

Mr. DUNN. I believe we had shipped four carloads of equipment to Leon. We had equipment ready to load on the cars at Caddoa and it was held pending orders as to a definite location of the camp.

Mr. FULTON. Let's see, when was the first equipment actually received at Leon, Iowa?

Mr. DUNN. At Leon, Iowa? Approximately November 5.

Mr. FULTON. So that it took 3 weeks to get the first equipment to the job?

Mr. DUNN. It could have been placed there sooner if we had had definite orders to ship it there.

Mr. FULTON. Did you need definite orders to ship it?

Mr. DUNN. We certainly did.

Mr. FULTON. Did you try to get them and fail?

Mr. DUNN. Yes, sir.

Mr. FULTON. Whom did you ask for them?

Mr. DUNN. The constructing quartermaster.

Mr. FULTON. And did he refuse to give you authorization to bring equipment to the city?

Mr. DUNN. He not only refused to give it, but he directed us not to.

Mr. FULTON. And this was at what time?

Mr. DUNN. Prior to November 13.

Mr. FULTON. No, I am not talking about the time when they told you to switch the sites, but I am asking you if they directed you not to bring equipment at a time when everybody thought they were going ahead with this camp in Iowa.

Mr. DUNN. There was a period from October 25 or 26, to November 11, when there was considerable controversy as to what site could be accepted. During the period of that controversy, we were instructed not to make any further commitments as to personnel, as to purchases, or as to shipping equipment, and naturally we made no commitments.

Mr. FULTON. When were you first told that you could ship equipment? On the 13th of November?

Mr. DUNN. No; on November 13, we moved our personnel from Leon to Rolla.

Mr. FULTON. What arrangements did you make to put some equipment in at Rolla on the 13th of November?

Mr. DUNN. We made no arrangements on the 13th. Bear in mind that the architect engineer moved to Rolla on the same day.

Mr. FULTON. But I am also bearing in mind that it takes time to get equipment there. I was asking what arrangements you made, and the answer, I take it, was none.

Mr. DUNN. We first had to know what the equipment was to be used for.

Mr. FULTON. As I understood it, you knew that a camp was to be built with a certain number of buildings, of a certain type and character, and you knew that you had to have certain grading equipment there and certain general equipment which under any circumstances whatever would be needed in that project.

Mr. DUNN. That's right.

Mr. FULTON. What I am asking is, Why was not some arrangement made on the 13th to start moving equipment and start some men working on a project that you were supposed to have done in January or February?

Mr. DUNN. I just told you that we had our equipment ready to load on cars at Caddoa and shipped to this job, and we held them pending orders to ship.

Mr. FULTON. Now, did you, on the 13th of November, ask the quartermaster in charge for authority to ship that equipment?

Mr. DUNN. We did not.

Mr. FULTON. Why not?

Mr. DUNN. Because our first problem was to find a place to live and a place to have offices and to determine what the job was.

Mr. FULTON. And how long did you spend on that problem before you felt that you were in a position to ship some equipment?

Mr. DUNN. Oh, about 7 or 8 days.

Mr. FULTON. Which would bring you to the 20th?

Mr. DUNN. Right.

Mr. FULTON. Now, what equipment arrived on the 20th?

Mr. DUNN. On November 19 the office of the Quartermaster General advised us that the site of the work had been moved, and I believe it was on the 20th or 21st that we gave shipping instructions for our equipment.

Mr. FULTON. That is instructions. I was asking what equipment you received on the job on the 20th.

Mr. DUNN. I would have to have the bills of lading to know that.

Mr. FULTON. Did you receive any?

Mr. DUNN. On what date?

Mr. FULTON. On the 20th of November.

Mr. DUNN. I think it would be about the 24th of November that we received our first equipment.

Mr. FULTON. And did you put it to work—no; as I understood you, you put it to work on the 2d of December.

Mr. DUNN. That's right.

Mr. FULTON. Why wasn't it put to work during that week that you had between the 24th and the 2d of December?

Mr. DUNN. There was no place to put it to work.

Mr. FULTON. Did you ask the quartermaster whether there was any place where you could profitably put any equipment to work?

Mr. DUNN. We were in constant communications with the constructing quartermaster and the architect engineer.

Mr. FULTON. And he hadn't so much as a road which you could start grading on? Is that right?

Mr. DUNN. Certainly not.

Mr. FULTON. And this is as late as the 24th of November?

Mr. DUNN. That's right; we had been there 7, 10, or 11 days.

Mr. FULTON. And now can you assist us in telling us whether that was due to the architect engineer or the quartermaster in charge that they weren't even in a position to give you a road you could do some grading on?

Mr. DUNN. It was a very normal situation.

Mr. FULTON. I asked the question as to which one had fallen down in making those plans.

Mr. DUNN. And I answered it by saying it was a very normal situation in which neither one——

Mr. FULTON (interposing). I wasn't asking for a conclusion as to the situation. I was asking which one of them had failed to give the information that would be required.

Mr. DUNN. We would ask the constructing quartermaster.

Mr. FULTON. And did the constructing quartermaster inform you that he hadn't received from the architect engineers even a plan as to where a road could be so that you could start grading, or did he have some other reason?

Mr. DUNN. I must draw the conclusion that he did not have the plans or he would have told us to go to work. That is the same conclusion that you'd have to draw from that.

Mr. FULTON. And on the 2nd of December, he did have some plans?

Mr. DUNN. And some right-of-way.

Mr. FULTON. And you put 100 men to work on the 2d of December?

Mr. DUNN. That is my estimate.

Mr. FULTON. And you had a number of other men and you had equipment available which could have been put to work, but for which there was no work to be done, is that right?

Mr. DUNN. That's right.

The CHAIRMAN. Mr. Dunn, can you tell us why it is so difficult for this committee to get information from your organization?

Mr. DUNN. I understand that the questionnaire which you asked for did not arrive until this morning.

The CHAIRMAN. But we sent four or five letters, and a telegram or two, and didn't get an answer to any of them.

Mr. DUNN. The handling of that questionnaire was turned over to one of our contractors to assemble, and I am not familiar with why he didn't get it.

The CHAIRMAN. Isn't it an actual fact that your four contractors really didn't have an organization to work on this job and that you haven't got an organization yet, and that is the reason for all this delay?

Mr. DUNN. There has been no delay.

The CHAIRMAN. Certainly it looks to me as if there had been plenty of delay in getting this job started, and there has certainly been plenty of delay in getting it finished.

Mr. DUNN. As a matter of fact, there was no delay in getting the job started.

The CHAIRMAN. They just called me up yesterday from Rolla to ask for an extension.

Mr. DUNN. Extension of time beyond what date?

The CHAIRMAN. The 15th of May.

Mr. DUNN. The completion date—we expected to have the camp done on May 25.

The CHAIRMAN. It just occurs to me that you four contractors got together and got the job and you tried to make an organization after you got on the job and from all appearances, to me, you haven't got the organization yet because you give this committee not even the simple information we wanted for the benefit of this record; you have been dilatory or else you didn't have the information to give us, I don't know which.

Mr. PARROTT. May I answer that? The questionnaire was received by each contracting company, as I understand it. I know that I received the information for our company. I made immediate reply, stating that the information would be furnished by the four contractors jointly. We thought that you would prefer to have this come in showing the information as a project rather than each individual contractor.

Mr. FULTON. In other words, it was thought we didn't mean what we said in the letter; if you didn't have all of it, to send what you did have. Is that what you mean?

Mr. PARROTT. No, sir.

Mr. FULTON. The letter I sent you specifically stated if it would be difficult to assemble that information you should send what you had available, and send the remainder on as expeditiously as possible, and that letter was mailed on the 10th of April. But you assumed it didn't mean what it said.

Mr. PARROTT. We contemplated we could get it out all in 1 day, but it took a period of time to assemble.

Mr. FULTON. And you wrote us to that effect, and we wrote you again stressing we meant what we said in the first letter—that you should take time to prepare that one question, but that you should send us the other information, which was simple information that I assume your secretary could have taken from the files in a half hour's time. We got none of that despite those letters and despite the fact that we sent telegrams twice and asked personally once through an investigator for it; isn't that correct?

Mr. PARROTT. I don't know.

Mr. FULTON. Isn't it correct that I wrote you specifically stating that if you didn't have the information on question No. 5 with respect to equipment that you should furnish me with the other information, which you stated you did have?

The CHAIRMAN. Is should be impressed on you gentlemen that this Senate committee is trying to give everybody a fair deal and a fair hearing but a Senate committee is not to be trifled with. When we ask for information we want it, and we expect to get it one way or another, and the sooner you find that out the better.

The committee will recess until 10:30 tomorrow morning.

(Whereupon, at 12:10 o'clock, the committee recessed until 10:30 a. m., Thursday, May 8.)

INVESTIGATION OF NATIONAL DEFENSE PROGRAM

THURSDAY, MAY 8, 1941

UNITED STATES SENATE,
SPECIAL COMMITTEE INVESTIGATING
THE NATIONAL DEFENSE PROGRAM,
Washington, D. C.

The committee met at 10:35 a. m., pursuant to adjournment on Wednesday, May 7, 1941, in room 318, Senate Office Building, Senator Harry S. Truman presiding.

Present: Senator Harry S. Truman (chairman).

Present also: Senator Clyde Herring, Iowa; Hugh A. Fulton, chief counsel; Charles P. Clark, associate chief counsel.

The CHAIRMAN. The committee will come to order. Mr. Parrott and Mr. Dunn will please come back.

**TESTIMONY OF F. W. PARROTT, SECRETARY AND TREASURER; AND
E. W. DUNN, C. F. LYTLE CO., SIOUX CITY, IOWA—Resumed**

Mr. FULTON. Do you gentlemen have anything that you would like to add to the material we covered yesterday, or any comments you would like to make with respect to the contract that you obtained, the difficulties that you had in performing it, or otherwise?

Mr. PARROTT. I would like to amplify some of the statements made yesterday concerning what took place in the early stages of this contract.

The CHAIRMAN. Proceed.

**SUMMARY OF CONTRACTORS' ACTIVITIES IN CONSTRUCTION OF FORT LEONARD
WOOD**

Mr. PARROTT. This is just a brief summary of what the contractors' activities consisted of from the date of the contract.

As stated yesterday, the contract was signed in Washington on October 14. The four contractors were here at that time, and they spent the 14th and the 15th in consultation with various persons in the Constructing Quartermaster's Department. On October 16 they met in Des Moines, Iowa, to start setting up an organization to function in connection with this contract. On the 17th they drove to Leon, Iowa, to inspect the proposed site. The only person there in authority whom they contacted was Mr. Fuller, who was in charge of acquiring land for the project.

On the 18th Mr. Neumann went to Leon again and met Mr. Burdick, of the engineering firm of Alvord, Burdick & Howson. They continued to operate between Des Moines and the town of Leon,

assembling personnel in the various organizations, and on the 22d, October 22, Mr. Neumann called Mr. Wray in the Constructing Quartermaster's Division in Washington and asked him if anything further could be done by the contractors at that time to get the work under way. At that time no land had been acquired for the site. Lieutenant Colonel Collins, who was to be the constructing quartermaster on the job, was then still in Washington.

On the 23d the contractors met again in Des Moines to discuss their plans. The next thing they did was to obtain three copies of the standard drawings from the architect-engineers. These drawings were taken up in the offices of the contractors and their office personnel was put to work taking off quantities and checking the quantities of various materials required for the project.

Mr. FULTON. Does that mean that the Army didn't furnish you with a bill of materials that you would require for the project, but only with a list of the particular materials for each particular building?

Mr. PARROTT. The list of materials furnished by the Army was in connection with each standard drawing, and this had to be summarized and checked and an allowance made for shrinkage or loss in handling in order to determine the amount of material required for any given set of buildings.

Mr. FULTON. And was that a matter that would take time?

Mr. PARROTT. Not a great deal of time; probably a week.

Mr. FULTON. But it would take probably a week?

Mr. PARROTT. It would take some time; yes, sir.

On October 31 I, myself, called the constructing quartermaster's office in Washington and discussed the situation. Nothing further was done more than I have outlined until on November 9 rumors were afloat that the camp was to be moved to another site, and I called Mr. H. W. Loving on long distance on November 9 and asked him what the situation was with reference to the location of the camp and if it was going to be transferred to Rolla, Mo. He stated that the matter was under consideration, but gave me no further information.

On November 11 I came to Washington to try and get the matter cleared up so that we could proceed. I was here about 10 days before the matter was finally concluded.

On November 16 I talked with General Hartman, and the matter at that time was still undecided, although notice had been sent out to our organization at Leon and to the C. Q. M. at that point to proceed to Rolla and check up on the location down there.

On the 19th a letter was signed by General Hartman directing the contractors to transfer their activities to the site near Rolla, Mo.

On the 21st that letter was signed by the Assistant Secretary of War.

From that time on the contractors proceeded as rapidly as was possible to assemble their organization and their equipment. By saying "as rapidly as possible" I do not mean to say that there were any reasons holding the contractors back other than the uncertainty concerning the plans, and right-of-way, and so forth, for the camp. All of these contractors had listed their equipment which was available. That equipment could have been loaded and shipped to the job within a week's time. None of it was far removed from the project.

There were other statements made yesterday concerning the number of men employed on the project in its early stages. I believe those figures were taken from a graph which was supplied to you, and perhaps they are not as accurate as the figures we have in our records. Later on I would like for Mr. Dunn to give you those exact figures.

The CHAIRMAN. That is all right. He will be allowed to do that.

Mr. FULTON. Certainly.

Mr. Dunn, as I understand it, you arrived on the project at Rolla, Mo., on the 13th of November.

Mr. DUNN. Yes, sir.

Mr. FULTON. Was there an Army officer there to meet you who had any information to give you?

Mr. DUNN. I received orders to move our construction forces from Leon to Rolla from the constructing quartermaster on the evening of November 12, and on November 13 I transferred that force to Rolla. The constructing quartermaster moved from Leon to Rolla on the same day, that is, November 13. We both arrived there in the afternoon of November 13 and established temporary quarters in a hotel.

Mr. FULTON. And was anyone there to meet you?

Mr. DUNN. No one was there to meet us.

Mr. FULTON. Were you furnished with any information whatever that had been collected prior to the time you got there with respect to the Rolla site?

Mr. DUNN. We had no maps, no data of any kind whatsoever.

Mr. FULTON. Were you furnished with a copy of the report that the Army had made on the Rolla site?

Mr. DUNN. No, sir.

Mr. FULTON. And what did you do the next day?

Mr. DUNN. On November 14, in company with the constructing quartermaster and the resident engineer for the architect-engineers, we made a complete reconnaissance of the proposed camp site, the railroad yard facilities at all railroad stations in that immediate vicinity, and some available office space. As a result of that reconnaissance on the 14th, on the 15th I selected Newburg as the rail head to which point shipment of material should be made, and recommended the construction of a supply road into the camp. On the evening of the 14th I telephoned to our company at Sioux City and requested that they load such equipment as we had at Sioux City and at Caddoa, Colo., for shipment to the site.

Mr. FULTON. Had the Army made any examination of the rail head which they made available to you as indicating their ideas on where you should make your rail head?

Mr. DUNN. No. I had no information as to railroad facilities other than I obtained myself. I obtained station maps from the Frisco Railroad of all stations in that vicinity, and with those station maps and the cooperation of the Frisco Railroad, and a personal examination of those sites, we selected the rail head.

Mr. FULTON. And with respect to highway facilities, did you receive any information from the Army with respect to an examination they had made of the various highways that came near the camp site and

the extent to which they could be used, the traffic conditions to which they had been subjected in the past, the road-repair work which the State highway department had found necessary, and so on?

Mr. DUNN. We obtained our highway maps from the Rolla School of Mines, I believe, on the 14th or 15th of November.

Mr. FULTON. Was any information furnished to you by the Army with respect to highways?

Mr. DUNN. No.

Mr. FULTON. And were any plans already made which were turned over to you which indicated to you the general location of the cantonment? I don't mean by that where any particular regiment would go, but the area within the reservation which had tentatively been selected as the one that should be examined more specifically by the architect-engineer.

Mr. DUNN. I obtained a map from the architect-engineer that showed on it the forest boundaries, a prospective area for camp-site location, and possible location of a railroad spur into the camp, and a possible location for a water main from the Big Piney River to the camp site.

Mr. FULTON. And when did you obtain that?

Mr. DUNN. I think we got that on the 14th.

Mr. FULTON. And from this preliminary examination that you made you could tell in general, at least, the highway routes that you would have to build toward in order to supply that general camp area; is that right?

Mr. DUNN. Yes, sir. We selected what we thought would make suitable access roads.

Mr. FULTON. One of those would be a road that would tap this route 17, which, in turn, would tap route 66, the main east-west across Missouri highway?

Mr. DUNN. That is correct.

Mr. FULTON. And then there was another road which I believe you called the supply road, which would have to have an extension of 5 or 6 miles to intersect this route 17 so that you would have facilities for two roads on which materials could be moved.

Mr. DUNN. The supply road would not intersect 17. It would be the shortest and most direct route to the railhead at Newburg.

Mr. FULTON. But by building 5 or 6 miles of road you would in effect be connecting the supply road with the camp and having access with route 17 by doing that?

Mr. DUNN. Not route 17, but the railhead.

Mr. FULTON. But the rail head. Those things were things which would have to be done before you could get into full construction at the camp, were they not?

Mr. DUNN. Yes, sir.

Mr. FULTON. Were you able immediately to start construction on these additional roads that would be necessary to connect with these highways?

Mr. DUNN. No; we were not directed to proceed with the construction of the supply road until December 16.

Mr. FULTON. So that more than a month elapsed before you could start this construction?

Mr. DUNN. On the supply road.

Mr. FULTON. And were you people able to start construction, or could you have started construction earlier?

Mr. DUNN. Yes.

Mr. FULTON. Why, if you know, were you not able to start before the 16th?

Mr. DUNN. Well, they had right-of-way to acquire on the supply road, and they had surveys and plans to make. This supply road was rather an extensive operation and required plans, stakes, and right-of-way to be obtained.

Mr. FULTON. Did it take a month to make plans for this addition to the supply road?

Mr. DUNN. Well, I don't believe the architect-engineers were permitted to do any work until November 20, or shortly thereafter—I mean survey work—so it would not take a month.

Mr. FULTON. You mean they were not permitted, you mean they were told they couldn't start before the 20th?

Mr. DUNN. Yes, sir.

Mr. FULTON. And then they started their surveying. Well, there was a wagon trail through there, was there not?

Mr. DUNN. There was a trail through there.

Mr. FULTON. And would it take 3 or 4 weeks to make a sufficient survey to start grading work on that road?

Mr. DUNN. No; but it would take some time to acquire the right-of-way. I think the right-of-way was quite a problem.

Mr. FULTON. And until that was done, it was impossible even to start surveying; is that right?

Mr. DUNN. I wouldn't say it was impossible to start the survey because we didn't have the right-of-way. I think they had the survey completed before the right-of-way was acquired.

Mr. FULTON. At any event, the reason you didn't put men in there and start work before the 16th was that you were not permitted to start on that road.

Mr. DUNN. That is correct.

Mr. FULTON. Yet the road would be one of the first things that should be constructed in order to start your construction program in full swing.

Mr. DUNN. I believe they had in mind that we had access to this camp site via 66 and 17 on the west side of the camp.

Mr. FULTON. And did you build a highway, or rather a road, from route 17 across to the parts of the camp that you would need to do work on?

Mr. DUNN. Yes.

Mr. FULTON. When did you start work on that road?

Mr. DUNN. We worked on that whenever weather would permit during the month of December.

Mr. FULTON. Starting with the 1st of December?

Mr. DUNN. No, sir. We were not permitted to enter on the camp site and enter and start construction until December 3d.

Mr. FULTON. You mean by that that if you had had men and materials and equipment there shortly after the 13th of November, you could not have used them anyhow? Is that right?

Mr. DUNN. I mean they did not have the right-of-way for the camp site, nor were we permitted to occupy it until we received instructions on December 3.

Mr. FULTON. Well, now, were you able to build your temporary barracks for your workmen in that interval of time?

Mr. DUNN. I believe not up until December 3. Those were built after December 3.

Mr. FULTON. So that even the quarters to house the workmen who would work on the project were not started until in the early part of December?

Mr. DUNN. I believe that is correct.

Mr. FULTON. When you did start to work, did you first prepare the roads in such shape that they could be used?

Mr. DUNN. We attempted to do that whenever the weather was fit to operate.

Mr. FULTON. Did you find it necessary to put gravel or stone on these roads?

Mr. DUNN. We spent a considerable time in the month of December trying to stabilize that topsoil across the camp-site area by the addition of gravel, and it was not until we were permitted to remove that topsoil and construct a stone and gravel road on the hardpan base that we were able to build roads of such solidity that they would take care of this heavy traffic.

Mr. FULTON. By "hardpan base" do you mean a mixture of clay and rock which would be relatively stable enough for the retention of stone and the carrying of heavy loads by truck?

Mr. DUNN. The entire camp-site area was covered by a light soil, ranging from 3 inches to 18 inches in depth. Immediately below that was a hardpan base upon which all the water that fell was retained. The result was that this soil was almost fluid most of the time, and we had to take that off and build these roads right down on the hard base.

Mr. FULTON. By that you mean you ran grading equipment along, scraped off the surface of mud or loam above the hardpan base, and then put your stone on the hardpan itself?

Mr. DUNN. That is right.

Mr. FULTON. And that was done when, late in January?

Mr. DUNN. That operation was not started until the latter part of January.

Mr. FULTON. And until then you were using this earlier method of putting gravel on top of the mud or loam which would sink into that material because of the retention of water in the mud or loam, and would therefore not really be a stabilized road?

Mr. DUNN. That is correct. Bear in mind that the material that you had to work with, because of the frequent rains, was nothing but mud, and you had to get dry material which would compact before you could do anything with it. You had the alternative of stabilizing that with enough dry material or of taking it out of the way and putting stable material on the hardpan base.

Mr. FULTON. But the fact is that the first alternative was adopted in the first case, and 2 months later was abandoned for the second alternative, which was found necessary and desirable; is that right?

Mr. DUNN. Approximately 6 weeks later.

The CHAIRMAN. Couldn't you have got that information from the State Highway Department of Missouri in the first place?

Mr. DUNN. I don't believe so.

The CHAIRMAN. They built a lot of roads in that part of the world.

Mr. DUNN. That's right, but, Senator Truman, we were operating under direct instructions as to how we were to proceed.

The CHAIRMAN. I see.

Mr. DUNN. Our company requested permission several times to strip and remove this topsoil. It was considered to be too expensive to undertake.

The CHAIRMAN. And the Army wouldn't let you go ahead with that until they were forced to do it?

Mr. DUNN. That is correct.

Mr. FULTON. With respect to this gravel, when did you first start to get a gravel pit in operation, because that, of course, had nothing to do with the question of acquisition of land at the camp site. Were you able immediately to get your machinery down there so you would be ready to produce gravel in quantities?

Mr. DUNN. The first thing we did was to arrange for the excavation and loading of a satisfactory quality of pit run gravel out of the Big Piney River, which was used until such time as the more extensive gravel plants could be erected and used.

Mr. FULTON. How soon were you able to get these gravel plants in operation, the temporary ones?

Mr. DUNN. I think it was the first week in December that we were, along about December 7 or 8, that we had draglines in there excavating gravel for camp-site purposes.

The CHAIRMAN. That is when you began to put men to work?

Mr. DUNN. Would you like to have me clarify this record as to men at this stage?

The CHAIRMAN. Yes, I would.

Mr. DUNN. No doubt I was not clear in my information to you, Mr. Fulton, as of the interpretation of that chart,¹ but to explain the chart, the red line shows the daily employment and the blue line shows the pay-roll curve on there. The red line, you will notice, does not go back into the early period in November. My records show that on October 19 there were 7 men engaged. Bear in mind that this is at Leon. On October 26 we had 46 employees. On November 9, 32 employees. On November 16—now we are at Rolla—72 employees; on November 23, 149 employees; on November 30, 250 employees.

Now comes the week in which we were authorized to start work. On December 7, 653 employees; December 14, 879; December 21, 1,376; December 28, 2,365; January 4, 6,671; January 11, 8,533; January 18, 11,438; January 25, 14,359. Approximately January 25 is the date when a new constructing quartermaster arrived on the project. From that time on we have daily figures as to the number of men.

Mr. FULTON. Shown in red on this chart you prepared for us?

Mr. DUNN. Shown in red on the chart.

Mr. FULTON. Which show you had in number of men as high as 30,500 at about the 15th to the 22d of March, which would be the peak number employed?

Mr. DUNN. That is correct.

¹ Not included in the record—a chart furnished Mr. Fulton by Messrs. Parrott and Dunn to show the progress of construction at the camp site.

Mr. FULTON. How many different men, so far as your records indicated, were employed on this project?

Mr. DUNN. We received applications from 58,000 men, and at various times employed over 48,000 persons. They were not all employed at one time, but the total different persons employed was 48,000.

The CHAIRMAN. You didn't have as large a turn-over as they did at Camp Meade. What is the reason for that?

Mr. DUNN. I am not familiar with Camp Meade.

The CHAIRMAN. Their turn-over was about 3 to 1.

Mr. DUNN. It was? I presume one of the reasons could be that once a person got into that situation, he had to stay until he got money enough to get out.

The CHAIRMAN. That is a very good reason. Was your operation on a closed-shop basis?

Mr. DUNN. No, sir.

The CHAIRMAN. What percentage of it was on a closed shop?

Mr. DUNN. I have no way of knowing.

The CHAIRMAN. Proceed.

Mr. FULTON. You would say that the reasons you could not get more than these few hundreds of men in employment during the early part of December were due to the fact that you didn't have plans available and instructions to proceed with work; is that right?

Mr. DUNN. December was a very bad month from a weather standpoint. The constructing quartermaster advised Washington on December 13 that there had been 4½ days lost that week on account of rain.

Mr. FULTON. What I had in mind was that I thought you told us, for example, on this vital road construction that you weren't authorized to start until the 16th, so that being so, you couldn't have lost any time on road construction due to rain.

Mr. DUNN. Those are all contributing conditions. If you had a good day and didn't have right-of-way, you couldn't work.

Mr. FULTON. What I had in mind is, you were unable to complete the roads, which would be the elementary first thing into the camp, because you weren't allowed to start on them until the 16th. Is that so?

Mr. DUNN. That is a contributing reason; yes, sir.

Mr. FULTON. Were the plans or surveys done before the 16th; that is, the architect-engineers' road surveys that you speak of?

Mr. DUNN. My information is that their plans on the supply road were completed on December 16, and we started work on the supply road on December 17.

Mr. FULTON. So that you were, in effect, right on the heels of the architect-engineer, ready to proceed; is that right?

Mr. DUNN. That is correct.

Mr. FULTON. Would that, in general, be true of all the work on the camp?

Mr. DUNN. That is true of all operations. It of necessity had to be that way, because they arrived on the job when we did and their work has to precede ours. We many times would take these plans in very sketchy form, with whatever information was available, and proceed to undertake the construction operations as indicated.

Mr. FULTON. Were there always plans available in enough time for you to keep your men at work, or were there times when you had to slow up by reason of the lack of plans being available?

Mr. DUNN. Naturally, during the months of December and January, the period in which the architect-engineer had to develop his plans, there would be a shortage of plans.

Mr. FULTON. Then it was the shortage of plans, and not the rain, that kept you from working.

Mr. DUNN. No, sir; it was both.

Mr. FULTON. How could it be both? I mean, if you had——

Mr. DUNN. Because both conditions existed.

Mr. FULTON. How could it? One or the other has to be ahead, doesn't it?

Mr. DUNN. Both conditions existed.

Mr. FULTON. The question I have in mind is, Did you have plans which you were unable to work on because of the rain, or did you have no plans, which meant you couldn't have worked whether you had rain or no rain?

Mr. DUNN. We had some plans and lots of rain.

The CHAIRMAN. Getting back to this turn-over of labor that you had out there, it might be possible that the people in Missouri are better workers than these back here, and you don't have to fire them so often. Would that be a possibility in that case?

Mr. DUNN. Well, personally, I think the labor we had in Missouri was pretty fair labor.

The CHAIRMAN. Did you have any trouble with the labor unions?

Mr. DUNN. We had no trouble with labor unions? That job went through from start to finish with almost no labor difficulties.

The CHAIRMAN. Proceed.

Mr. FULTON. How many total man-hours did you use in constructing the camp, or will you estimate that you will use?

Mr. DUNN. Will you permit me to tell you about the man-hours up to April 26? This camp is not completed yet.

Mr. FULTON. That is why you have to have part of it in actuality and part of it an estimate?

Mr. DUNN. That is right.

Mr. FULTON. On April 26 how much did it amount to?

Mr. DUNN. On April 26 we had 10,602,215 regular hours.

Mr. FULTON. How much overtime?

Mr. DUNN. 3,334,519 hours overtime.

Mr. FULTON. And what time rate did you pay for overtime?

Mr. DUNN. One and a half times the regular rate.

Mr. FULTON. That would mean that we paid for approximately 5,000,000 hours of regular rate and got 3,300,000 hours of overtime.

Mr. DUNN. That is correct.

Mr. FULTON. Which, if we could have avoided overtime, would have meant we would have had 1,600,000 more hours of work which we paid for but did not receive? Is that right?

Mr. DUNN. Your mathematics is all right.

Mr. FULTON. And at 40 hours a week, that would be about 40,000 men working for a week.

Mr. DUNN. Did you take 10,652,000 as the total hours of regular and overtime combined?

Mr. FULTON. No; I merely took the total overtime, 3,300,000, and figured if we could have had the men on regular time instead of overtime, if our plans and if our work had been in such shape as to break these peaks off this graph, we would have had 1,600,000 more hours without any additional cost.

Mr. DUNN. I should like to correct your impression there, if I may. The reason for the overtime work is because it was desired to have this camp completed in the shortest possible time.

Mr. FULTON. And that is why I say that if we could have used this time in the earlier months, instead of hiring overtime on week-ends and so on in the later months, we would have had 1,600,000 more hours of work for no extra charge.

Mr. DUNN. I would also like to call your attention to the fact that the labor scale set for that area was somewhat lower than was set, or would be set, for the more populated centers such as St. Louis and Kansas City.

Mr. FULTON. Which of course makes the fact that the camp cost \$35,000,000 all the worse, doesn't it, because labor was cheaper than it was in some of these other areas?

Mr. DUNN. Let me explain that in order to get skilled workmen into that isolated region it was necessary that they receive a weekly compensation that would be the equivalent of what they would receive around a less isolated region.

Mr. FULTON. Do you mean by that that we paid men overtime not because we needed the overtime work, but because they were insisting on receiving higher wages than they would have got at straight time?

Mr. DUNN. I don't mean that at all. I am just explaining the situation. Because of the necessity to complete this camp within a time limit, it was necessary to work 9-hour days and Saturdays, and the fact that you did work 9-hour days and Saturdays permitted these skilled workmen to obtain a weekly compensation that was comparable with what they could obtain at other points.

Mr. FULTON. And it still wouldn't alter the fact that if you had these men working in the earlier periods you wouldn't have had to pay time and a half, does it?

Mr. DUNN. We are all sorry for that lost time in good weather, but because of the fact that there were camp-site problems and problems of no right-of-way, there was nothing that we could do about that.

I would like to call your attention to another factor in that situation down there, and that is that all workmen, skilled and otherwise, coming into that area, had to provide themselves with living quarters or obtain living quarters on the camp site.

Mr. FULTON. One of the things to be done there was to build these temporary barracks as soon as possible and, as I understood you, that wasn't started until sometime in December.

Mr. DUNN. It is one thing to build barracks and it is another thing to require people to live in them in these days. We found that these workmen preferred to live outside the camp area and drive in. Many of them came there in trailer wagons and other conveniences, many of them built their own shacks, and some of them brought their families.

Mr. FULTON. I understood that there were as many as 18,000 cars that came in there on a single day.

Mr. DUNN. That is correct.

Mr. FULTON. When did you start building parking areas to accommodate those cars?

Mr. DUNN. About January 25.

Mr. FULTON. And until that time, where were those cars being parked?

Mr. DUNN. Well, of course, the 18,000 cars did not occur until after January 25. Prior to that time they parked along the roadsides and wherever they could find places.

Mr. FULTON. You mean that, in addition to these roads being made relatively less passable by reason of that mud not being scraped off, they were narrowed in their width by having cars parked on both sides of them?

Mr. DUNN. That is true.

Mr. FULTON. Why weren't those parking lots provided earlier?

Mr. DUNN. There were no places that could be made to park. We attempted to use parking areas which still had this thin-mud condition. We eventually had to treat those parking areas the same as we did our roads.

Mr. FULTON. What I am asking is the question, Why weren't the parking areas made in their eventual character some weeks earlier, so as to relieve the burden on the roads?

Mr. DUNN. For the same reason that the roads were not made.

Mr. FULTON. Because you wanted to do it and were told you couldn't build parking areas?

Mr. DUNN. We wanted to strip this soil off the hardpan and make our parking areas in the same way as we finally did.

Mr. FULTON. And to whom did you apply for permission to do that, and when?

Mr. DUNN. That application was made to the constructing quartermaster.

Mr. FULTON. At what time?

Mr. DUNN. During the month of January.

Mr. FULTON. What time in January?

Mr. DUNN. I cannot be definite about that, but I would say between the 3d of January and the 25th.

Mr. FULTON. Can you be a little more close to the time there, because there were two quartermasters, weren't there?

Mr. DUNN. I have separated it on that basis.

Mr. FULTON. Would it be about the 25th?

Mr. DUNN. Prior to the 25th.

Mr. FULTON. Before the new quartermaster came in?

Mr. DUNN. Correct.

Mr. FULTON. And during the entire month of December, though, there was no application for permission to do that?

Mr. DUNN. I think, if my memory doesn't play me false, that we did express the opinion in late December that that is the way these roads should be completed, but as I recall it, we were in controversy with the gentleman on January 3 and we were required to do this construction by what I called a stabilized method.

Mr. FULTON. Yes; but I was talking about parking areas.

Mr. DUNN. It is all part of the same situation.

Mr. FULTON. Did you apply for permission to make these parking areas in December, and were you refused the permission to do so?

Mr. DUNN. I don't recall, with reference to the parking areas, whether the application was made in December or not.

Mr. FULTON. And with reference to the question of the type of roads, did the architect-engineer advise on the question of the type of roads to be built?

Mr. DUNN. Did he advise us?

Mr. FULTON. Yes; or do you know whether he rendered any opinion on that question?

Mr. DUNN. I am not familiar with whether he rendered an opinion in the early part of January. I believe in the latter part of January he concurred in our opinion.

Mr. FULTON. I am talking about the original decision to construct the roads in the method later found not to be satisfactory. Whose decision was that, and on what advice, if you know?

Mr. DUNN. I do not know.

The CHAIRMAN. Do either of you gentlemen have any further statements you want to make to this committee?

Mr. DUNN. We would like to clarify the record with respect to the personnel employed on the railroad construction. The personnel employed on the railroad construction was all skilled in railroad construction, in grading operations, in bridge operations. For instance, reference was made to the superintendent, Mr. Harvey, who came to the camp from the Caddoa Railroad. When he first came to the camp he was jointly assigned to the railroad and the highway work. The railroad work had not progressed very extensively at that time.

Then, later, we employed an engineer and a superintendent, both of whom had considerable experience in railroad construction work. We finally wound up with Superintendent Curran on railroad work, and Bridge Superintendent Everist, who came from a railroad bridge concern with considerable experience, and we think they did a fine job of rushing that railroad through to completion.

Mr. FULTON. With respect to the railroad this morning, did you have your plans furnished to you in sufficient time for you to put the fills in the places that they would be the most advantageous, or did you find that later on, by reason of rather inadequate plans, the fills were in some cases more extensive than others, or not used to the best advantage?

Mr. DUNN. No, we carefully aided the balancing of the quantities there.

Mr. FULTON. Did you have plans furnished to you in advance that were sufficiently worked out so that you knew where to put your materials and what you refer to as balancing of quantities, before you got to that place where you were using it?

Mr. DUNN. At no time did we have balanced quantities for that railroad as are ordinarily required for railroad or highway construction work.

Mr. FULTON. And was that due to an error on the part of the contractor or due to the lack of plans ahead of time?

Mr. DUNN. That was due to the fact that the architect-engineer did not have time to make the necessary surveys, the location and the

plans ahead of the large and extensive operations which were behind him.

Mr. FULTON. At least it means the plans were not furnished ahead of time.

Mr. DUNN. That is right.

Mr. FULTON. The question of whether one has time or not is a matter of how many people he can get on the job.

Mr. DUNN. That is in part right.

Mr. AMBERG. Senator, may I ask just one simple question?

The CHAIRMAN. You may.

Mr. AMBERG. Mr. Dunn, there was some mention in the testimony, perhaps before you arrived here, that the railroad was tentatively laid out to be about 17 miles, and then later, as constructed, it was some thirty miles. Will you explain whether that was main line or partly side tracks, or just what that situation was?

Mr. DUNN. The railroad, as originally contemplated, had a main line of 17½ miles without any sidings. The railroad as finally allocated comprised about 19½ miles with 10½ miles of sidings.

Now, the difference between the 17½-mile route and the longer route came about in the fact that the short route had a high-level bridge over the Piney River, whereas the longer route had a low-level bridge.

Senator HERRING. Mr. Dunn, do you agree with the testimony given yesterday by Engineer Burdick that there was ample water in the Grand River, that a dam could be constructed, the water could be impounded, and for \$1,200,000 it could be brought to this original camp site in Decatur County?¹

Mr. DUNN. At Leon?

Senator HERRING. Yes.

Mr. DUNN. Do I agree with that?

Senator HERRING. Yes.

Mr. DUNN. Yes, I do.

Senator HERRING. There is testimony to show how much this railroad cost—about three and a half million dollars.

Mr. DUNN. There is.

Senator HERRING. Then the camp was moved because it would cost \$1,200,000 to bring the water in, and taken to a point where they spent three and a half million dollars to bring a railroad to it. That is what really happened. That is one indication of the way the money was wasted, in order to go where there was no railroad because there was no water, and yet the testimony shows that for \$1,200,000 they could have brought water to them, and they spent three and a half million dollars to build a railroad into the camp.

Colonel WILSON. If the estimate was the same on the water as on the railroad, then the million two hundred thousand is only an initial and a preliminary and a partial estimate.

Senator HERRING. Still it would be the same percentage below.

The CHAIRMAN. The railroad was estimated at \$500,000, Senator, and it cost three millions, and if the proposed water work was estimated at \$1,200,000, it probably would have cost five before they got through with it.

¹ In Iowa. See Hearings, Part 1, p. 203 et seq., for a statement of reasons for moving camp site from south central Iowa to Mark Twain National Park, near Rolla, Mo.

Mr. DUNN. Would you permit me to correct the estimate on that railroad?

The CHAIRMAN. Yes.

Mr. DUNN. I would like to correct that, because the \$500,000 is such a ridiculous figure that I can't conceive any railroad engineer would make such an estimate for mountain railroad construction.

Senator HERRING. I never heard of any such estimate.

Mr. DUNN. This railroad is located in the Ozarks, and could be called mountainous construction. I participated in the first preliminary estimate that was made, along with Colonel Jonah, chief engineer of the Frisco Railroad, and Constructing Quartermaster Collins. That preliminary estimate was \$1,200,000, and that is the lowest estimate for a railroad that I have ever heard of.

The CHAIRMAN. We will take the \$1,200,000 as the estimate, but in spite of that it still cost us \$3,000,000.

Mr. DUNN. I think there is a reason for that.

The CHAIRMAN. The camp was estimated in the neighborhood of \$15,000,000 and it is going to cost 35. This one at Meade was estimated in the neighborhood of \$10,000,000 and it is going to cost 21, and I think that is the customary figure that runs through all these estimates in the final construction cost. I hope we will bring out evidence enough here so we can get some estimators for the War Department that will come a little close to what the cost will be.

Mr. DUNN. I assure you the contractors would like to have some better estimates, too.

The CHAIRMAN. I am sure of that, because it will mean a better fee. (The witnesses, Messrs. Parrott and Dunn, were excused.)

The CHAIRMAN. Major Davidson, did you have a statement you wanted to make?

Major DAVIDSON. With respect to what?

Mr. FULTON. With respect to the quartermaster who was relieved at Fort Leonard Wood.

TESTIMONY OF MAJ. GAR DAVIDSON, OFFICE OF THE QUARTERMASTER GENERAL, WAR DEPARTMENT

Major DAVIDSON. The first quartermaster appointed for the construction of Camp Leonard Wood was Lt. Col. George H. Collins. He had 23 years of experience in engineering design, construction, and erection on civilian engineering projects.

Mr. FULTON. With the Engineering Corps?

Major DAVIDSON. In civilian practice.

Mr. FULTON. What type of work had he been in charge of that was comparable to this camp?

Major DAVIDSON. I have no record of that. At the time he was employed by the Government he was previously employed by the Department of the Interior on the Alaska Railroad as designing engineer, assistant bridge engineer, and acting bridge engineer, from which job he was on leave at the time he took the job with the Army for the construction of the project at Leonard Wood.

Mr. FULTON. Was any information furnished to him by the War Department in an effort to enable them to set up these roads, gravel

pits, and other preliminary matters weeks earlier than was actually done?

Major DAVIDSON. You have reference now to the site at Rolla, Mo.? That was impossible, because the original site was in Iowa.

Mr. FULTON. Why was it impossible, for example, at least to give them the report that had been made around the 1st of November by the Army officers assigned to make the report?

Major DAVIDSON. Well, that report, as I understand it, was not in sufficient engineering detail to be of material assistance in that respect.

Mr. FULTON. Did it have any underlying engineering detail at all, or was it simply a report without detail?

Major DAVIDSON. It was a general report, and the amount of detail that was contained in the report was such that it would not have been of material value to him.

Mr. FULTON. If it wasn't of any material value to him, how could it have been of any material value in moving the camp?

Major DAVIDSON. Because it was a general report. The type of report you need to go ahead with constructing procedure is an entirely different report.

Mr. FULTON. Have you been able in the examination you have been making in the last few weeks to find, about the time in late October when it was determined to consider moving the camp, that the Army made any arrangements of any kind in the nature of a preliminary survey of the Rolla, Mo., site, so that at least preliminary information would be available to the contractor the day you moved the camp?

Major DAVIDSON. I have no information to that effect.

Mr. FULTON. As far as you have been able to find any, and so far as your investigation has gone, none has been turned up?

Major DAVIDSON. That could be better answered by a representative of the Seventh Corps Area, who had that project under their jurisdiction.

Mr. FULTON. Colonel Miller, I believe, is present.

The CHAIRMAN. Can you answer that, Colonel Miller?

Colonel MILLER. I will have to ask you to repeat it.

Mr. FULTON. What investigation was made on this Rolla, Mo., site, between October 23 and November 13, so as to be able to give the contractor some definite information as to highway conditions and supply roads and other things that should be started immediately?

TESTIMONY OF LT. COL. CHARLES S. MILLER, GENERAL STAFF CORPS, G-4, SEVENTH CORPS AREA, OMAHA, NEBR.—Resumed

Colonel MILLER. The commanding general of the corps area acted in an advisory capacity only. The commanding general and several members of his staff visited the Fort Leonard Wood area during the period you mention. A preliminary lay-out of the camp was inspected by the commanding general on the site 2 days before; that is, beginning in November.

Mr. FULTON. What I was talking about was the period before the 13th of November. What information was obtained, if any, by the corps area commander and his staff to be given to the contractor

and the architect engineer so they could start their basic work immediately? In other words, do you agree with Mr. Dunn no information at all was given to the contractor at the time he arrived on that site?

Colonel MILLER. There were certain general lay-outs furnished to the architect engineer, showing that the Sixth Division would be on one side of the camp, and the engineer-replacement on the other side; the Artillery on the south, Army troops on the north.

Mr. FULTON. That is a lay-out of where he should attempt to place it. What I was talking about was information with respect to the site, information as to the highways that were available, and the facilities on the highways; information as to the question of where they could get some gravel if they needed it; what job they could start first, at least in the line of road construction.

Colonel MILLER. That wasn't in the province of the Seventh Corps Area; there was a State highway, No. 17, that ran through the cantonment.

Mr. FULTON. Then I take it that so far as the Seventh Corps Area was concerned at least no information of any kind whatever was given to the contractor at the time he got to the site on November 13?

Colonel MILLER. That is correct; upon the occasion of the visit of the corps area engineer to Rolla on November 1 he requested the State geologist of Missouri to make maps of that area, better maps, and the map making was begun at once.

Mr. FULTON. And, Major Davidson, what information, if any, was prepared by the Quartermaster General's corps here since there was none by the corps area which would be along that same line?

Major DAVIDSON. You are talking specifically of engineering detail?

Mr. FULTON. No; such things as determining where the railhead would be, where you would store your first machinery and lumber, what highways you would use, and so on.

Major DAVIDSON. None; that is what you are paying the contractor for; that is where he gets his fee.

The CHAIRMAN. That is all. Major Reed.

TESTIMONY OF MAJ. FRANK REED, JR., CONSTRUCTING QUARTERMASTER, FORT LEONARD WOOD

The CHAIRMAN. Major Reed, you will state your rank and title in connection with the construction at Fort Leonard Wood.

Major REED. Major Reed, constructing quartermaster; Frank Reed, Jr.

Mr. FULTON. Major Reed, I understand that you were an engineer and that you have had construction experience in camps prior to your going to Fort Leonard Wood.

Major REED. Yes, sir.

Mr. FULTON. Would you tell us something of that general experience briefly, and particularly your experience in camp construction?

Major REED. I am an engineering graduate of the University of Illinois. I have had about 10 years' experience in civil life. I have also had experience in the Seventh Corps Area as a corps-area construction officer on the construction of C. C. C. Camps, which is comparable to the cantonments, only on a smaller scale.

I later was transferred to the office of the Quartermaster General and from there sent to Camp Robinson, Ark., in Little Rock. I arrived there on the 17th of September. We did our preliminary ground work in connection with the administration, procurement of materials, and so forth; started construction October 2, and we completed all necessary facilities and the camp was occupied by the Thirty-fifth Division on January 2. Between January 2 and the 25th I was primarily engaged in winding up a lot of construction matters, details reports, and so forth, and on January 20, which was on a Saturday, I was transferred from Camp Robinson to Fort Leonard Wood as constructing quartermaster, arriving there about 7:30 Saturday evening.

CONSTRUCTING QUARTERMASTER'S ACTIVITIES IN CONSTRUCTION AT FORT LEONARD WOOD

Mr. FULTON. And from your investigation of the camp at that time, about what percent of it had been finished?

Major REED. That I wouldn't determine by myself because we have architect engineers, contractors, who are placed there for that purpose.

Mr. FULTON. Then had they made a determination?

Major REED. Yes, sir; they had.

Mr. FULTON. What was their determination?

Major REED. Let me explain that in this way. I didn't know what the true percentage of completion on the job was at the time that I arrived there, so I called a conference of the architect engineer, contractors, the general contractors, and as a result of those studies we determined that the camp was some place around 5 to 7 percent complete as of January 25.

Mr. FULTON. And from your subsequent experience in the camp after you did obtain it, would you say that that was high or low?

Major REED. I didn't make any immediate decision on that.

Mr. FULTON. I was talking of subsequent experience as you now have it; would you say it was high or low?

Major REED. Well, let me explain that in this way. I wanted to get into the field to determine myself—in other words, I wanted to check their figure, so I did; I spent 2 or 3 days in the field and realized—in other words, I concurred in their percentage completion.

Mr. FULTON. And you now think it at that time was 5 to 7 percent completed?

Major REED. Yes, sir.

Mr. FULTON. I thought we had heard of a figure of 3 percent.

Major REED. Three percent; yes. I had previously made that statement, but on reviewing the records I find I was in error.

Mr. FULTON. And how much had been expended at that time?

Major REED. Approximately \$6,000,000 in obligations, not expenditures.

Mr. FULTON. And can you estimate how much had actually been spent to get this 5 to 7 percent completion?

Major REED. No, sir; because that would require delving into the records of the field auditor, who was a part of the constructing quartermaster's forces, and I didn't have time to check into that. However, it would only be a guess, but maybe not more than \$800,000 to \$1,000,000 had been actually expended, for this reason—that from maybe January 15 to 20 the general contractors advertised for materials and the obli-

gations for primary raw materials for deliveries as at the middle of February or late in February, so that as soon as the contract was awarded, maybe January 15 or 20, those funds were immediately earmarked and set up as an obligation.

Mr. FULTON. But, now, on testing that \$800,000 estimate, unless Mr. Dunn's chart ¹ is again being misread by me, it looks as though for the week ending January 25 we had a pay roll of several hundred thousand dollars on that week end.

Major REED. That is possible; \$800,000 to \$1,000,000, because they were on the upgrade on employment.

Mr. FULTON. According to this chart, it would look as though much more than \$800,000 had been spent for labor alone, without even a penny for materials.

Major REED. Could Mr. Dunn answer that question? He has figures, I believe.

Mr. FULTON. Mr. Dunn, would you say that on January 25 only about \$800,000 had actually been expended in construction at the camp?

Mr. DUNN. I would like to state that on January 15 we had issued \$754,000 worth of checks. Will that be close enough?

Mr. FULTON. And January 15 is not the date I had in mind; the 25th would carry a pay roll of \$450,000 in addition, as I understand it.

Mr. DUNN. On February 2 we had issued \$2,217,000 worth of checks.

Mr. FULTON. And, of course, your checks are slower than your expenditures, are they not?

Mr. DUNN. Slower than our obligations, but they are the expenditures.

Mr. FULTON. They are slower than the amount of money for which you have incurred obligation by reason of services already having been performed or materials already having been dispatched to you?

Mr. DUNN. That is correct.

Mr. FULTON. Slower by as much as a month or more in some instances?

Mr. DUNN. But the major portion of the obligations are pay roll, and that wouldn't be over a current week late.

Mr. FULTON. Taking your ratio of pay roll, 50 percent to materials, which was your final relationship, it would seem to me that you must have had at least several million dollars expended by the 25th of January; isn't that true?

Mr. DUNN. No; that is not true.

Major REED. May I make a statement there, Mr. Fulton? You take—a vendor will make shipment on lumber or any other type of material, and standard practice is for them to wait until the end of the month. In other words, you can anticipate receipt of the invoice in the contractor's office approximately 30 days after shipment has been made, and at that time the invoices are submitted by the general contractor to the field auditor for what is known as a pre-audit. In other words, he verifies the shipments against the bill of lading, and so forth, as to weights; and the field auditor advises the contractor that on this particular voucher he has verified the quantities received and the bill is just and due.

He returns this voucher to the general contractor, who then prepares his standard vouchers for reimbursement, at which time they

¹ See supra, p. 661.

are again submitted to the field auditor, and he reviews them again and transmits them to the finance office for payment.

Mr. FULTON. So the payment would take place, after all of this procedure?

Major REED. Yes, sir; that might—well, it is rather slow at the beginning of the job, but we try to give the general contractor a pretty rapid turn-over; that is, in the way of reimbursements.

Mr. FULTON. At the time you came into the position of quartermaster in charge of construction, did you find that the contractor had handled expeditiously and had out of his office all these vouchers that you have referred to?

Major REED. What went on prior to my arrival I have no knowledge. When I arrived there there were considerable vouchers in the contractor's office and in all due fairness to him I will say that it wasn't his fault that they were back in his office. In other words, there are certain Government procedures to be followed, and he had not been properly instructed, you might say, as to the correct preparation of these vouchers. That was a matter that we clarified.

Mr. FULTON. In other words, the instructions were changed by you?

Major REED. No, sir; I do not change those types of instructions, because it is a book of instructions for use by the field auditor, issued by the office of the Quartermaster General.

Mr. FULTON. If the instructions were not changed how was the change accomplished?

Major REED. By classification of doubtful questions with him.

Mr. FULTON. In other words, by discussion between you and him?

Major REED. Yes, sir.

Mr. FULTON. And it is your opinion that prior to that time he had not properly been instructed with respect to the vouchers?

Major REED. That is my opinion.

Mr. FULTON. Which, of course, means that the person who had formerly been in charge had not given proper instructions?

Major REED. Well, that I couldn't say.

Mr. FULTON. Doesn't it follow?

Major REED. I wouldn't want to say on that, Mr. Fulton, because I don't know. I don't even know the—

Mr. FULTON. At any rate, there was a jam in these vouchers?

Major REED. A temporary jam, which has since been broken, and we have an even flow now.

Mr. FULTON. And that would reemphasize the point I made, that the payments were behind the actualities so that you couldn't take the number of dollars you had paid at the 15th of January as any indication whatever of the amount of money that had been expended constructing 5 percent of this camp on January 25?

Major REED. Well, that goes back again to obligations. The minute you make an award those funds are definitely earmarked for that particular phase of the project.

Mr. FULTON. I understand that you will have your field supervisor find out for us how much money had actually been spent getting 5 to 7 percent of this camp completed by the 25th of January?

Major REED. Yes, sir.

Mr. AMBERG. I think you meant spent—to be reimbursed by the Government?

Mr. FULTON. I want the ultimate amount of money which the Government paid for that 5 percent. And you have heard Mr. Dunn testify with respect to the road conditions. Can you tell us whether the roads at the time you came in on the 25th of January were in the condition of having the loam or mud overlaying the hardpan, with gravel dumped into the mud but which had not become stabilized. Were they, then, in that condition?

Major REED. Yes, sir.

Mr. FULTON. Had work been then started to strip off the top mud part and put a rock base on the hardpan?

Major REED. No, sir.

Mr. FULTON. And when was it actually started?

Major REED. Wasn't actually started until about the 1st of February, by reason that—well, trying to get a good road by using this gravel, in my opinion, and it was concurred in by the architect-engineers and general contractors, was not the solution to our temporary-construction roads.

Mr. FULTON. When you arrived, did they take up a question with you saying that they had made recommendations to the construction quartermaster that this new procedure be followed, which he had refused to follow?

Major REED. Not that I recall; no, sir.

Mr. FULTON. Have you ever heard of any such requests on their part?

Major REED. Well, I didn't wait for them to make a request. It was quite evident that something had to be done about the roads, so in conference with the architect-engineers and the general contractors we determined that some other method should be used for solving the road problem.

Mr. FULTON. Who first made the suggestion of this method, which was in fact used?

Major REED. Well, I initiated the conference. Now as to what may have gone on prior to January 25 and what they had in mind, I don't know.

Mr. FULTON. But at that time, that conference, who was the first to mention this as a solution?

Major REED. I was the one that brought the subject up.

Mr. FULTON. And when you did strip off the mud—did you put gravel on the hardpan or did you put on fresh rock—crushed rock?

Major REED. No, sir; that wouldn't be the solution, by reason that creek gravel has rounded surfaces, say, comparable to marbles, and it has no keying surfaces; but with the quarried rock, which gives you sharp edges, it can key into the hardpan, so putting gravel onto the hardpan after stripping off the topsoil wasn't the solution. I will state this, though—that we did put some gravel in small quantities on the hardpan until we could get our quarries opened up.

Mr. FULTON. Were there no quarries then open?

Major REED. Yes; they had one quarry that they were stripping the face off at that time; we later on, within a week or 10 days, had opened up four quarries and were crushing rock at about an inch to an inch

and a half diameter—up to 2-inch diameter—and we stepped up from around 1,000 to 10,000 tons a day production, and that went——

Mr. FULTON (interposing). Between about 10 days or so?

Major REED. A little longer than that, because after you strip the face off this hillside you have to get your wagon drills in there and bore down through this rock and blast it off the hillside, and further break it up with wagon drills, and jackhammers, and later put it into the crusher, and that takes a little time.

Mr. FULTON. So that it would be somewhere around the 10th or 15th of February before you got up into the high daily production?

Major REED. Yes, sir; up to top-speed production on the rock; yes, sir.

Mr. FULTON. And that meant that until that time there wasn't this quantity of stone which at least was considered then to be desirable, is that right?

Major REED. That is right, and we sacrificed putting rock on the roads into the camp, because it was more essential to get the materials from the railhead to the camp than it was to work with what small quantities we had on the camp site; consequently this rock went on the supply road.

Mr. FULTON. But that means that as late as almost the middle of February we were still struggling with a problem that might at least have been taken up in November or early December?

Major REED. Well, now, I will state that the contractors had on the supply road constructed the $3\frac{1}{2}$ -mile section, I think it was—not quite 5 or 6 miles, $3\frac{1}{2}$, and they had placed the creek gravel on that road.

Mr. FULTON. I was talking of crushed stone, which, as it turned out, was considered more desirable.

Major REED. It was about the 4th or 5th, I would say, before we started the crushed stone on the supply road.

Mr. FULTON. And with respect to this gravel that had been placed on the supply road, it had been placed on this mud layer, top layer of soil, had it not, and would in effect be lost by this stripping operation?

Major REED. Well, now, there bear in mind that that was a newly constructed road; clay was available and clay is a good bonding material; so that the gravel did key in with the red clay and made a pretty good road.

Mr. FULTON. That would not, then, have been a complete waste as were the roads in the camp itself?

Major REED. No, sir; that wasn't a complete waste.

Mr. FULTON. Now, with respect to the roads in the camp itself, all the gravel that had previously been hauled in and dumped onto this top layer would, of course, be pushed aside when you scraped the layer off, would it not?

Major REED. We pushed it all aside; it had no value.

Mr. FULTON. So that was a waste as compared with having adopted the subsequently adopted procedure in the first place?

Major REED. In my personal opinion; yes, sir.

Mr. FULTON. And when you came into the camp did you find that the roads in addition to the question of having the mud with the

gravel in it, were reduced in width by reason of the parking of cars along the roads?

Major REED. Yes, sir.

Mr. FULTON. And you had a conference, I suppose, with respect to parking areas?

Major REED. Yes, sir; we took up that same matter at the conference in connection with temporary construction roads.

Mr. FULTON. Were you ever informed that they had applied to the quartermaster for permission to make parking areas and had been refused?

Major REED. Not to my knowledge; no, sir.

Mr. FULTON. And you did, however, lay out various parking areas in conjunction with the contractor and architect-engineer and construct them?

Major REED. Yes, sir; there we had two problems, both of equal importance, facing us at the same time, and it was a question of which we would give the priority to. We had to have workmen come into the camp so we put the first priority on parking areas.

Mr. FULTON. Which, of course, would mean that until they were constructed you would have to at least go slower in your construction activities?

Major REED. Yes, sir; what we did—we didn't actually stop building construction; I think there has been a little misinterpretation and probably it is my fault, that that misinterpretation has been placed; we did not stop construction; we changed priorities, you might say. In other words, we went from a building priority to a road-building priority, and the first thing we did was to make a survey and determine the most logical points to place these parking areas which were just off the road.

Mr. FULTON. Had there been no such survey made on January 25 or before then?

Major REED. That I couldn't say; the fact that we went out and made the survey—I couldn't say whether there had been a prior survey.

The CHAIRMAN. The fact you made one indicated there hadn't been one up to date.

Major REED. It was never presented to me before, sir.

The CHAIRMAN. That is the answer. Proceed.

Mr. FULTON. And your position would be, then, that you would think it important to have a free-flowing supply of materials over a good road and facilities for workmen to come into a camp before you could hope to make a practical success of real construction efforts?

Major REED. You couldn't build the camp without those two—that is your personnel and labor.

Mr. FULTON. And that would ordinarily be the first thing one would look at in getting ready to construct a camp?

Major REED. In my personal opinion, yes, sir.

Mr. FULTON. Now if cars were to be parked along the side of these roads, by how much would that reduce the width of the road available for travel, or how much did you find in practice, in looking at it, it was reduced?

Major REED. Some of the roads—I won't say the main arteries—had been narrowed down to the extent that only, you might say, one lane

existed for passing cars. On the principal roads, which we would call old Highway 17, which passed through the camp, the Big Piney Road, and Minnesota Avenue, there was sufficient room for two cars to pass.

Mr. FULTON. And after you had removed the cars from the road how wide would those roads have been?

Major REED. Those roads, shoulder to shoulder, run about 44 feet in width, but in blading up and building up your road you don't take full advantage of the complete width of the road.

The CHAIRMAN. Practically a two-lane highway when you get through?

Major REED. Yes, sir; practically a two-lane highway; if you got off on the soft shoulders you would be back in the mud, but the thing was we kept the cars off these soft shoulders and when we did have good weather the mud dried out and, of course, there was no cut-up surface.

Mr. FULTON. And the soft shoulders that you refer to would be the mud and gravel which had been bladed off from the surface?

Major REED. No, sir; that was completely removed to one side; I would say 35 or 40 feet, with a bucket; but these soft shoulders are actual road-building operations in building up with clay.

Mr. FULTON. The committee has received complaints from workmen that their cars in effect parked on those areas in these earlier months had frequently been struck by passing trucks and even shoved into the woods by bulldozers, and so on. Would there be any foundation to that kind of complaint?

Major REED. Well, there are people from practically every State in the Union employed on that job.

Mr. FULTON. I am asking whether the type of traffic that was going over those roads was such that the cars parked alongside them would necessarily be to some extent damaged.

Major REED. Yes; and on several different occasions I felt like driving them off the road myself. These individuals come out to the project in a 1925 or 1929 model car and they will drive in on the soft shoulders, or they were doing that, on an angle, leaving the rear of the car projecting out into one of those two-traffic lanes.

Mr. FULTON. Just where else could they park?

Major REED. They could have parked parallel, with a little judgment of their own, but a number of the construction people that we had employed on that job, their thought was to get in and park. I have seen cars parked practically in the center of the road, and at times I felt like taking a bulldozer and shoving them all right off into the ditch.

Mr. FULTON. If it is parked in the center of the road and you have only one lane to start with, you just about have to do that, but the question I have in mind is without parking space, where could they park, if you didn't have any parking areas?

Major REED. They could have parked out on Highway 17, or they could have driven into the camp and driven completely off the roads into the mud, but that wasn't the solution, either.

Mr. FULTON. The parking areas were the real solution?

Major REED. Yes, sir.

Mr. FULTON. And where did you find material stored at the time you came into the post, that you took?

Major REED. Materials were stored in two central yards, one in the north area of the parade ground and one in the south area of the parade ground.

Mr. FULTON. Did you make any change in that, or was any change made?

Major REED. Yes, sir; there was some change made.

Mr. FULTON. What was the nature of it?

Major REED. At the time that we started road-building operations the access road, or the supply road, was not in satisfactory condition for operation of material trucks. Rather than to lose priority on materials, we leased approximately an 80-acre site for the temporary storage of all types of construction materials near the railhead.

Mr. FULTON. Was that so you could finish these roads before you tried to bring in the materials?

Major REED. Not finish them, but get them in satisfactory condition for operation. Then we went ahead with road-building operations, utilizing materials on the camp site until they were exhausted. Then when we had satisfactory access roads we brought the materials in, and it was about a 50-50 distribution. In other words, anticipating further rains, we established stock yards in the construction areas themselves. You couldn't establish large material yards by reason that your buildings are only 60 feet apart.

Mr. FULTON. What you mean is that instead of storing materials in two big central places you selected a great many places near prospective barracks or mess halls where you could put small piles of materials during good weather, which would be available during bad weather?

Major REED. That is right; yes, sir.

Mr. FULTON. And did you find that that expedited construction during the rainy and bad-weather periods?

Major REED. Yes, sir; I would say so, because our drafts as prepared by the architect-engineers show that this job speeded up greatly from the 6th to 8th of February right on through to May 1. In other words, we have taken certain steps which have brought about, roughly, 85 to 86 percent progress in about 90 days.

Mr. FULTON. And with respect to concrete, where was that being mixed when you came in?

Major REED. The concrete was being mixed at a central mixing plant, some of it in the southern part of the parade grounds, you might say.

Mr. FULTON. And where was the gravel that was used in that central plant obtained from?

Major REED. It is obtained from the Big Piney River, approximately a mile and a quarter down the supply road to the northwest of the construction area.

Mr. FULTON. Was any part of this cement, after it was mixed, taken to the northwest part of the camp site?

Major REED. Yes, sir; that was a central mixing plant, and from that point concrete was being hauled to the various construction areas.

Mr. FULTON. Does that mean that these roads, which were already limited by reason of their mud and the parking of cars, and so on, were further limited by carrying gravel to the mixing center and then back along the same road to a point much nearer the source of the gravel than the central mixing plant?

Major REED. Well, now, that is getting a little ahead there. They weren't starting to haul concrete to the northwest section of the camp prior to January 25. In other words, we opened up the warehouse area and were doing grading operations in there around the 28th of January, and we poured our first foundations around about the 5th or 10th of February.

Mr. FULTON. By that time your roads were in shape?

Major REED. Oh, yes; our roads were in shape and we put in portable mixing plants in the warehouse area.

Mr. FULTON. So you had several different mixing plants instead of one central?

Major REED. Yes, sir.

Mr. FULTON. Now did you find that the project had been divided up into five or six areas which could profitably work almost as separate projects, or if not was that ever done?

Major REED. Yes, sir; when I arrived there and first took a look at the general lay-out map I noticed they had 27 construction areas of which the railroad was identified as one construction area. They did not work on all construction areas at the same time.

Mr. FULTON. What change, if any, was made?

Major REED. Well, you might say there it is a growth in construction personnel. You receive these employees that come into the job; the first thing is you don't know anything about them; they claim to be carpenters and so forth. You try them out. Here and there you will find good subforemen and one or two outstanding men who could be building superintendents. As soon as those key personnel expose themselves, you might say, other areas were opened up. I don't mean to imply that the contractors procured their personnel in that way. I mean that there was an additional source of getting good construction people that their qualifications had no heretofore been known, but they opened up these various construction areas very rapidly.

When I arrived there they were roughly 50 to 60 percent complete in what is known as area 8, to be occupied by the Third Infantry. They were starting foundation excavations in area 6. A number of men were engaged in building concrete forms. They had opened up areas 14, 15, and 16, across the parade ground to the east, which was for use by the Engineer Replacement Center.

Mr. FULTON. Now, were all of these various areas then being operated separately as separate projects?

Major REED. Independent little areas.

Mr. FULTON. And they were all proceeding in due course at the time; no changes were found by you to be necessary?

Major REED. No, sir; no necessity for changes.

The CHAIRMAN. Major, I seem to draw the conclusion from what you have said so far that the supply department, that is G-4—neither G-4 nor G-3 worked on this job, apparently, until you got there. Isn't it customary in the military maneuver of a big construction set-up to find out your source of supply and how you are going to get it and arrange to get it on the job the first thing you do?

Major REED. Do you have reference to G-3 and G-4 sections of the War Department?

The CHAIRMAN. You make your plans and then you have to get your supplies and things on the job after you make your plans. It seems

that the plans and the supplies were all mixed up together, neither one in an orderly fashion. In fact, the road situation, which was the source of supply, the necessary source of supply to the railhead, was not in a condition to be operated until February?

Major REED. Well, they were operating when weather conditions permitted over the supply road.

The CHAIRMAN. I understand, but weather conditions were pretty bad during December and January, weren't they?

Major REED. Yes, sir; so I hear.

The CHAIRMAN. It seems to me that they didn't have any orderly plan by which to proceed and that the fact that they didn't have any roads, all this stuff had to be brought in by motorcar, didn't it?

Major REED. Yes, sir.

The CHAIRMAN. The railroad was 17 miles away, according to the line of track they built to get to it. The Army was laboring under the impression that I had made the statement here that they didn't need a railroad. I said the railroad was not an emergency for the simple reason that all this material of which this camp was constructed had to be brought in by trucks and there will have been more material brought in there in the construction of the camp than ever will be brought in again at one time while the camp is in operation. It is necessary to have a railroad into the camp, but I say it was not necessary to the point of making an emergency out of it and having it cost two or three times what it would under ordinary conditions.

I am informed that the necessary carloads for that camp, after it is in operation, will run about 37 cars a day. Naturally you would get that in there cheaper by rail than you could by truck, because it would probably take some three or four hundred trucks to get it in there at the proper time, although the Army divisions are equipped with enough trucks to get these supplies if they have to.

Major REED. Those are trucks required in connection with the training aids, and taking them in, to and from, maneuvers daily.

The CHAIRMAN. That is true, but they still have trucks for supplies and things of that sort that are used for that purpose, but what I am getting at is that the operations and the supply, so far as the construction of this camp, didn't work until you got there; is that true?

Major REED. I don't know how to answer that question, Senator.

The CHAIRMAN. I won't force you to answer it. Proceed. I think that answers itself, but the record will answer it.

Mr. FULTON. Referring to roads, how much will it cost to concrete a mile of road similar to route 66 there, if you know?

Major REED. I would rather Mr. Burdick or Mr. Maxwell, of the architect-engineers, or Mr. Dunn, of the general contractors, who was a former State highway engineer, would answer that question, sir.

The CHAIRMAN. You have constructed some roads, haven't you, Major?

Major REED. I have built some roads, but not in Missouri or not in Iowa, sir.

The CHAIRMAN. Well, the general run on the cost of concrete roads, if you have a good contractor and a good engineer, run about the same, taking the terrain into consideration, do they not? Of course, if you have hills and hollows and bridges to build it costs more; if you have a level country it doesn't cost so much and the average cost

is somewhere between twenty-five and thirty-five thousand dollars a mile for a 20-foot road?

Major REED. That is an average; yes, sir.

Mr. FULTON. Then, it would have been possible to concrete this highway for perhaps as little as less than a third of the cost of this railroad, would it not?

Major REED. In consideration of the construction of a concrete highway it is the one access road, you might say, to the camp, and was not included in the scope of the work.

Mr. FULTON. I wasn't suggesting that, but I am suggesting that at that rate per mile, and with the number of miles you had, you could reasonably expect that the concrete Route 66 and 17, or the supply road, could be built at a cost of considerably less than \$1,000,000, and you would then have had a road which could have been used, if you had concreted 66, by the public in Missouri as well as by the Army?

Major REED. May I make a statement there, Mr. Fulton? Highway 66, from St. Louis to the southwestern part of Missouri—

Mr. FULTON (interposing). Is a main highway.

Major REED. Is the main highway of the State of Missouri. That has quite a bit of business and tourist trade on it at all times, 24 hours of the day. The contractors were hampered by having to bring in their materials over Highway 66. They have got heavy grades, sharp curves, and there have been any number of fatal accidents on that road involving people primarily from the States of Illinois and Oklahoma, not familiar with the construction that was going on in those areas. That sounds comical in a way, but it is serious to us people out there responsible for those construction materials being hauled over those highways 24 hours of the day. And that was another big factor in getting the supply road rapidly constructed and getting our materials off of Highway 66 onto the back road, as we call it, thereby reducing the traffic and we, of course, reduced any number of accidents.

Mr. FULTON. What I have in mind is that after the camp is completed and you have this relatively small fraction of freight needs to supply the camp as it is continued for military purposes, one of those two roads could have been concreted, either 66 or the supply road, and whichever one you chose could have been concreted for less than a third the cost of putting this railroad in?

Major REED. Yes, sir.

Mr. FULTON. And after it was completed it would have been a highway which could have been used for public and commercial traffic instead of a railroad which only runs to a temporary camp and which when the camp is abandoned or otherwise is not being used, is a useless expenditure, an expense to keep up, rather than a valuable asset?

Major REED. Personally, though, Mr. Fulton, I question as to whether in view of the excellent location of that camp, whether it would ever be abandoned because of summer maneuvers. That is my personal opinion.

Mr. FULTON. So that for a few weeks during the summer we might find this railroad would have some utility. However, you could still carry your produce in during those few weeks during the summer over a concrete highway, could you not?

Major REED. Well, I look at it this way, assuming we had put in a 20-foot-wide paving slab, and deleted the railroad and averaging 35 cars of food and clothing supplies per day, that is about 1,700 tons, roughly—we will say arbitrarily 1,400; that is the figure. Now to bring in 1,400 tons of materials a day, food supplies, with a ton-and-half cargo truck, there would be considerable traffic on that road 24 hours of the day, and in the event of an emergency we have the Regular Army Seventh Division located there. They might within 24 hours have to evacuate that post and move to some unknown destination. You still have to bring in your supplies, and I believe that there would have been a bottleneck created.

Mr. FULTON. How long would it take them to get on flat cars if they had to evacuate in 24 hours, with the facilities they have on that railroad today? It wouldn't be a very quick proposition, would it?

Major REED. I believe that Sixth Division could move by rail within 24 hours.

Mr. FULTON. Do you think they could load on flat cars in the camp much more quickly than they could reach with their mechanized equipment a point 20 miles away?

Major REED. Yes, sir; because normally a convoy has a specified distance between motor units and I judge if the head of that column left the post at 12 noon today, it would be 12 noon tomorrow before maybe the last unit left the post, for the entire division.

Mr. FULTON. In other words our mechanized units move at the pace considered a forced march for infantry in the Civil War; is that right?

Major REED. No, sir.

Mr. FULTON. Well, as I understand it, in the Civil War they did have some forced marches of 20 miles.

Major REED. Well, you might—once those troops got under way, of course, they would travel at a faster rate; that is the start and not the rate of march.

The CHAIRMAN. That is all, Major. Thank you very much. The committee will recess until 10:30 tomorrow morning.

Mr. AMBERG. Senator, I have here a document prepared by Mr. Howson of the architect-engineers that gives comparison on rate of construction between Fort Leonard Wood and a number of other large projects. May that be placed in the record?

The CHAIRMAN. It will be admitted to the record.

(The document referred to was marked "Exhibit No. 52" and is included in the appendix on p. 709.)

(Whereupon at 12:20 o'clock the committee recessed until 10:30 a. m., Monday, May 12, 1941.)

APPENDIX

EXHIBIT No. 40

NATIONAL COAL ASSOCIATION

SOUTHERN BUILDING

WASHINGTON, D. C., *April 27, 1941.*

SPECIAL BULLETIN

At 5:45 p. m., the spokesman for the Mediation Board gave out the following statement:

"The panel of the National Defense Mediation Board, designated to act in the dispute between the Bituminous Coal Operators and the United Mine Workers of America, has explored at length the matters in controversy. The proceedings have been conducted in the presence of the fact that the President of the United States on April 21, 1941, publicly recommended and urged that:

"1. The miners and operators already in agreement resume coal production under the terms of that agreement.

"2. The operators and miners who have not yet reached an agreement enter into wage negotiations and at the same time reopen the mines, the agreement ultimately reached to be made retroactive to the date of resuming work."

"Throughout the discussion the principal point in controversy, and the one which in the judgment of the Panel has prevented an agreement, was the matter of a differential in the daily wage rate, between that portion of the Appalachian coal region which lies principally in the western portion of Pennsylvania, eastern Ohio, and the northern part of West Virginia, on the one hand, and that portion of the Appalachian region which lies principally in the southern portion of West Virginia, eastern Kentucky, and portions of northern Tennessee and western Virginia, on the other hand. The United Mine Workers and the operators in the northerly portion of the Appalachian region have accepted without reservation the President's proposal. The Operators in the southerly portion of the Appalachian region have not accepted it. They have not at any time been willing to agree that wages fixed by future negotiations be made retroactive to the date of resuming work. Many formulas have been discussed.

"The last offer of those who have not agreed to the President's proposal was to fix their wage scale now on the basis of an addition of \$1 to the daily wage and a properly related percentage increase in other wage rates; wages not to be subject to further negotiation, and the contract to run to March 31, 1943. This offer as made did not directly mention the differential. The effect of it was the elimination of the differential could be brought about only if the mine workers would surrender 40 cents of the \$1 increase to which the operators in the northern portion of the Appalachian region had agreed. This offer was rejected.

"After the most careful consideration, the panel is unable to recommend this offer as a substitute for the President's proposal.

"The panel, therefore, unanimously recommends that the President's proposal, as made on April 21, as quoted above, be accepted today by the miners and all operators in order that production of coal essential to the national defense may begin on Monday, April 28, 1941."

W. H. Davis, chairman, after reading the above statement to the press, commented thereon:

That recommendation was formally presented to the three parties. It was accepted by the mine workers and by the operators in the northern portion of the Appalachian field and it was rejected by the operators in the southern portion of the Appalachian field.

I may add that we not only got the answer of the southern operators from their spokesman, Mr. Putman, but we polled the representatives who were here, one by one, after putting before them the recommendation, and each refused to accept it.

Q. When are you going to resume meetings?—A. Why should we resume meetings?

Q. I wondered if you had any further plans?—A. No.

Q. What happens now if the southern operators continue to refuse to accede to the President's recommendation.—A. I don't know what happens.

Q. Did you receive assurance that the northern mines will be reopened separately?—A. No.

Q. The tangible results of your 26 hours of negotiations are nil?—A. If you mean we failed to get an agreement, the answer is Yes. I don't like the word "nil."

Q. Under the President's Executive order establishing the Mediation Board what is the next step?—A. There are no further steps for the Mediation Board to take.

Q. Who would the next step be up to in the Government—the White House?—A. Why should I answer that question; you can answer it as well as I can. I will answer it this way—I don't find anything in the Executive order on the subject.

Q. You have no further plans for dealing with this subject in any way?—A. No, we haven't.

STATEMENT BY JOHN L. LEWIS

"We have again accepted the recommendations of another governmental agency. We first accepted the Department of Labor's proposal; then we accepted the President's proposition, and again today we accepted the Mediation Board's proposal. Our attitude is surely self-explanatory all the way through. It might be recalled that these gentlemen who refuse to accept the Board's recommendation carried on a 13-day campaign to get this dispute referred to the National Defense Mediation Board; it is their court."

Sessions were held throughout Saturday and late into the night and resumed at 1 p. m. Sunday, ending at 5:45 p. m. The groups were interviewed separately and jointly.

The Special Committee Investigating National Defense Activities on behalf of the United States Senate has asked Messrs. Lewis, O'Neill, Putman, Gaines, and Francis to appear before it Monday morning, at 10.

EXHIBIT No. 41

UNITED MINE WORKERS OF AMERICA,
Essex House, New York, N. Y., May 1, 1936.

MR. CHARLES O'NEILL,
*President, Central Pennsylvania Coal Producers' Association,
2331 Graybar Building, New York, N. Y.*

DEAR MR. O'NEILL: Enclosed is a document entitled "Agreement Between Operators and Mine Workers of Appalachian Area Setting Up Procedure to be Followed in Adjustment of Differential Disputes", properly certified.

I hope you will pardon the unavoidable delay in sending this to you.

Very truly yours,

DAVID J. McDONALD.

UNITED MINE WORKERS OF AMERICA,
Essex House, New York, N. Y., May 1, 1936.

I do hereby certify that the attached document (7 pages) entitled "Agreement Between Operators and Mine Workers of Appalachian Area Setting Up Procedure To Be Followed in Adjustment of Differential Disputes" is a true and correct copy of that certain agreement of the same title which was completed and signed at Atlantic City, N. J., October 10, 11, and 12, 1935. I do also certify that the

aforesaid agreement was signed by those persons whose names appear on the last page of the attached document.

DAVID J. McDONALD,
Assistant Secretary, Joint Differential Commission.

COUNTY OF NEW YORK,

State of New York,

Sworn to before me this 1st day of May 1936.

[SEAL]

GERARD COLLINS,
Notary Public.

Commission expires March 30, 1938.

Whereas, in and by the last Appalachian agreement, bearing date the 26th day of September 1935, and duly executed by the operators and the mine workers, and effective on the 1st day of October 1935 the following provisions were made in respect to the settlement of tonnage and day-wage rate differentials:

"Within fifteen days after the signing of the Appalachian Joint Wage Agreement the Joint Sub-Scale Committee of Sixteen (16) of this Conference shall meet at the time and place designated by the Chairman. The Committee shall there and then forthwith draft plans, set up the machinery and establish the procedure to dispose of the disputes before this Conference as to tonnage and day-wage rate differentials, and fix the time limits within which final determination of all such disputes shall be made, which in no event shall be later than February 1, 1936.

"In the event the Committee is unable within three (3) days to agree upon any matter or matters connected with the performance of this duty the question of issue shall be immediately laid before a judge of the Supreme Court of the District of Columbia, and his decision, after hearing, shall be final and immediately effective. No decision as to rules, regulations, or procedure on the part of any Commission, Board, Committee, or Tribunal selected to dispose of this differential problem shall impose a reduction in tonnage, yardage, dead-work, or day wage rates on the mine workers affected.

"In the event a report requiring changes in differential is made, the Appalachian Conference shall be reassembled on or before February 1, 1936, to make effective such revisions."

As required by the above stipulation of the Appalachian Wage Agreement, the Joint Sub-Scale Committee of Sixteen met at the Hotel Traymore, Atlantic City, New Jersey, on October 10, 11, 12, 1935, and made the following agreement to dispose of the differential disputes that were before the Appalachian Joint Conference.

I

That a Joint Commission be selected by the various producing districts composing the Appalachian Joint Wage Conference with a representative of the operators and a representative of the mine workers from each such district affected, and which District is a component part of the Appalachian Joint Conference. (The producing districts for the operators are the Associations signatory to the Appalachian Joint Wage Agreement of 1935, and for the mine workers the respective districts signatory to that same agreement.

It is understood and agreed that the Joint Commission of Operators and Mine Workers, North, South and Northern West Virginia, shall have the same voting strength as under the rules of the Appalachian Joint Wage Conference of 1935.

II

The Commission shall immediately organize to carry out the duties and exercise the authority hereinafter set forth:

(a) The Commission shall have the authority to conduct hearings, under its own rules and regulations, make investigations of differential questions submitted to it by the Appalachian Joint Wage Conference, and make reports thereon setting forth the facts to be submitted to a general Appalachian Joint Wage Conference to be held on or before February 1, 1936.

The officers of the Appalachian Joint Wage Conference of 1935 shall act as officers of the Commission and require districts to name their members to the Commission and assemble it for a meeting at the proper time and place.

(b) Upon any question hereinafter referred to the Commission, the Inter-District Joint Committees, hereinafter provided, shall make an effort to agree upon the facts and equity, and in the event of agreement it shall close the case. In the event of failure to agree upon the part of Inter-District Joint Committees the facts and findings of the aforesaid Inter-District Joint Committees shall be reported to the Commission.

All reports shall be in writing. Oral argument may be permitted by the Commission. Majority and minority reports, or individual reports of members of Inter-District Joint Committees, will be received.

(c) The work of the Inter-District Joint Committees shall be supplemented through the selection of an impartial investigator, who, in the event of a disagreement as to facts, shall be required to submit a report to the Commission on all disputed points. Where possible the impartial investigator shall be selected by the Inter-District Joint Committee. In the event of Inter-District Joint Committees failing to agree upon an impartial investigator he shall be named by three disinterested members of the Commission; the three disinterested members of the Commission to select an impartial investigator shall be named by the Chairman of the Commission and the International President of the United Mine Workers of America.

(d) All complaints shall be filed with the Secretary of the Commission, on or before November 1, 1936, who shall immediately furnish a certified copy of same to the Secretary of each Association of Operators and the Secretary of each District of the United Mine Workers of America signatories to the Appalachian Wage Agreement.

(e) Inter-District Joint Committees shall have the right to examine books, records, inspect mines, and do any other proper things in order to secure the facts necessary to a complete and intelligent report.

(f) In the event of an agreement requiring a change or changes in rates affecting differentials such agreement shall be confirmed by the Appalachian Joint Conference to be assembled on or before February 1, 1936.

III

In conformity with the provision of the Appalachian Wage Agreement of 1935, the Joint Sub-Committee of Sixteen hereby agrees:

(a) That the Pittsburgh thin vein shortwall machine cutting and loading rates shall be used as the basing rate for the high volatile fields of northern territory.

That the Central Pennsylvania basic shortwall machine cutting and loading rates shall be used as the basing rate for the low volatile fields of northern territory.

That the Kanawha basic shortwall machine cutting and loading rates shall be used as the basing rate for the high volatile fields of southern territory.

That the New River Basic shortwall machine cutting and loading rates shall be used as the basing rate for the low volatile fields of southern territory.

(b) That it will be impossible to make proper investigation, determine the facts, and equity upon the so-called North-South differential of forty cents a day, and tonnage differentials based thereon, in the time limit fixed, namely, February 1, 1936, and therefore disposes of this question by referring it to the Appalachian Joint Wage Conference to meet in New York City, February 17, 1937, for final disposition at that time.

(c) Intradistrict differentials involving the many conditions of operation, the difference in local customs and practices, and mining methods within each of the various districts, are so varied and complex that these questions cannot be settled in the basic Appalachian Joint Wage Conference and were referred to their respective district conferences under the terms of the Appalachian Joint Wage Agreement of 1935.

(d) Interdistrict differentials, as to day wage rates, are settled by Paragraph (b) of Section III. Interdistrict basic tonnage rates, including pick and shortwall machine cutting and loading rates, will be considered by the Commission and reports made under the stipulation of the Appalachian Joint Wage Agreement of 1935.

(e) Any district making complaint against the basic tonnage rate or rates of another district, shall carry the burden of proof in making a showing of just and sufficient cause for the Commission to make a report thereon to the Appalachian Joint Wage Conference.

(f) Complaints shall be in writing, signed by the proper officers of the complaining Association or District, and can refer only to the basic tonnage rate or rates of another and competing district. In addition, complaints shall state the rate complained about and the amount of the difference alleged to be inequitable and prejudicial to the complainant and preferential to the respondent.

(g) Members of the Commission who are complainants and respondents on the same issue or issues, may be designated as a Sub-Committee by the Commission for the purpose of investigation and recommending agreement to the full Commission. When the Commission lodges a complaint with a designated Sub-Committee it shall fix the time limit in which the Commission will receive the Sub-Committee's report or reports on the facts in that case. Failure to file such statement within the time limit fixed by the Commission, by either party or parties, shall be considered prima facie evidence against the cause of such party or parties and the report of the Commission to the Appalachian Joint Conference shall foreclose the introduction of evidence upon the part of the complainant or respondent who failed to file.

(h) Any district having an interest in a complaint may, on a showing of cause, be permitted to examine the Sub-Committee's report prior to the hearing before the full Commission, and if it desires may file a statement showing the facts as to its interest in the cause.

IV

(a) The impartial investigator of the Inter-District Joint Committees shall be paid \$25.00 per diem and legitimate expenses. This and all other expenses incidental to the Inter-District investigations by Inter-District Joint Committees shall be paid equally by the complainant and respondent Operators' Associations and Districts of the United Mine Workers of America represented on same Committee.

(b) Expenses of the Commission shall be borne jointly by the signatories of the Appalachian Agreement, the operators paying upon the basis of their tonnage production for the year 1934, equal to one-half of the cost, and the International Union, United Mine Workers of America, paying the other half.

JOHN L. LEWIS,
PHILIP MURRAY,
VAN A. BITTNER,
FRANK MILEY,
JAMES MARK,
SAM CADDY,
P. T. FAGAN,
JOHN OWENS,
WM. TURNBLAZER,
JOHN SAXTON,

*Committee, United Mine
Workers of America.*

THOMAS KENNEDY, *Secretary.*

CHARLES O'NEILL,
M. L. GARVEY,
S. D. BRADY, Jr.,
J. D. A. MORROW,
R. L. IRELAND, Jr.,
C. W. WATSON,
J. M. VEST,
L. T. PUTMAN,

Operators Committee.

D. C. KENNEDY, *Chairman.*

S. C. HIGGINS, *Assistant Secretary.*

EXHIBIT No. 43

DEPARTMENT OF THE INTERIOR

INFORMATION SERVICE

BITUMINOUS COAL DIVISION.

For Release Saturday, April 19, 1941.

Secretary of the Interior Harold L. Ickes announced today that preliminary statistics compiled by the Bituminous Coal Division indicate that the average cost of producing coal in 1940 had decreased approximately 18 cents per ton under the average of the costs upon which the Division based minimum prices.

Secretary Ickes said that it was reasonable to expect that proceedings to determine actual changes in costs, as a preliminary step toward making necessary adjustments in minimum-price levels, might be started within a short time. Any current-cost changes also will be considered in these proceedings. He pointed out that the Bituminous Coal Act of 1937, under which the Division is stabilizing the coal industry, provides for the adjustment of minimum prices whenever the "weighted average cost" of producing coal is found to have changed as much as 2 cents per ton in any minimum-price area.

The minimum prices which became effective on October 1, 1940, were established under the coal-industry stabilization law to maintain a "cost floor" under the sale of coal at the mine and eliminate destructive price cutting. Market demoralization had kept coal price levels substantially below cost for many years and caused a general state of chaos to prevail in the industry.

The reduction in costs, Secretary Ickes said, was due primarily to developments in the methods of mining, which have been stimulated by the hope which the coal act holds out for help to the industry in maintaining itself on a sound basis. Continued stability, under the coal act, should aid the industry to make still further advancements in lowering its costs and improving its service to the public.

The decreases are apparent from computations made from cost reports covering 1940 operations which have been received from the producers of more than 90 percent of the Nation's coal. Returns still are being received from the remaining mines, but practically all of these operations are very small and their reports can have very little statistical effect in most areas.

The 1940 cost reports showed decreases under the costs used in establishing minimum prices in every coal-mining district in the United States except two. These two were No. 5, Michigan, where an increase of approximately 24 cents per ton was indicated, and No. 18, New Mexico, where the indicated increase was 21 cents per ton.

The minimum price area "weighted average costs," which were used by the Division in establishing minimum prices, reflected a national average cost of production of \$2.09 per ton. These cost figures were based on reports covering 1936-37 operations, but they were adjusted, in the cost phases of the hearings on minimum prices, to reflect changes after that period. The 1940 national average, as indicated by the new computations, is approximately \$1.90 per ton. New cost computations also show that the costs for 1938 averaged approximately \$2.07 per ton, which is very little change over the minimum price base. The costs in 1939 averaged \$1.95 per ton.

The effective minimum prices were estimated to yield the coal industry a minimum income averaging \$2.07 per ton. This was as near to the average cost of \$2.09 per ton as the income could be brought and still reflect the other factors required by the coal act in order to preserve existing fair competitive opportunities.

The indicated changes in average costs for the individual producing districts and the minimum price areas in which they are located are shown by the following table:

MINIMUM PRICE AREA NO. 1

District	General location	Average cost used as price base	Changes reflected by 1938 costs ¹	Changes reflected by 1939 costs ¹	Changes reflected by 1940 costs ¹
1	Eastern Pennsylvania.....	\$2.3887	—\$0.0709	—\$0.1870	—\$0.2175
2	Western Pennsylvania.....	2.2140	+.0527	— .1295	— .2220
3	Northern West Virginia.....	1.8366	— .0461	— .1107	— .1750
4	Ohio.....	1.9356	— .0211	— .1738	— .2293
5	Michigan.....	3.6543	+.2501	+.1895	+.2420
6	Panhandle West Virginia.....	1.9775	— .1195	— .3509	— .3534
7	West Virginia Smokeless.....	2.1940	+.0350	— .1105	— .1593
8	Southern West Virginia—Eastern Kentucky— Northern Tennessee—Western Virginia.	2.0301	+.0178	— .0791	— .1280
	Total price, area 1.....	2.1284	+.0032	— .1239	— .1812

MINIMUM PRICE AREA NO. 2

9	West Kentucky.....	\$1.5805	—\$0.0844	—\$0.1636	—\$0.1760
10	Illinois.....	1.7561	— .0407	— .1343	— .1730
11	Indiana.....	1.6525	— .0668	— .2169	— .2329
12	Iowa.....	2.7636	— .0659	— .2735	— .3192
	Total price, area 2.....	1.7622	— .0644	— .1810	— .2067

MINIMUM PRICE AREA NO. 3

13	Alabama.....	\$2.4382	—\$0.0002	—\$0.0846	—\$0.1218
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MINIMUM PRICE AREA NO. 4

14	Arkansas-Oklahoma.....	\$3.6080	—\$.1440	—\$.1872	—\$.2778
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MINIMUM PRICE AREA NO. 5

15	Southwestern.....	\$2.0392	—\$0.1178	—\$0.2060	—\$0.2269
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MINIMUM PRICE AREA NO. 6

16	Northern Colorado.....	\$2.5559	—\$0.0028	—\$0.0124	—\$0.1894
17	Southern Colorado.....	2.7664	+.0326	— .1314	— .2478
18	New Mexico.....	3.1519	+.0375	+.1972	+.2160
	Total price, area 6.....	2.7389	+.0080	— .0824	— .2125

MINIMUM PRICE AREA NO. 7

19	Wyoming.....	\$1.9917	—\$0.0937	—\$0.1299	—\$0.1750
20	Utah.....	2.4691	— .2450	— .4806	— .4612
	Total price, area 7.....	2.1691	— .1552	— .2623	— .2814

MINIMUM PRICE AREA NO. 9

22	Montana.....	\$1.4851	—\$0.0622	—\$0.1965	—\$0.1755
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MINIMUM PRICE AREA NO. 10

23	Washington and Alaska.....	\$3.2247	—\$0.0712	—\$0.1741	—\$0.1351
	Total, United States.....	2.0884	— .0193	— .1431	— .1865

¹ The 1938, 1939, and 1940 figures cover mines producing 50 tons or over daily capacity.

Exhibit No. 44, introduced on p. 451, is on file with the committee

Exhibit No. 45, introduced on p. 480, is on file with the committee

EXHIBIT No. 46

PREPARED STATEMENT OF MAJ. GEN. JAMES K. PARSONS, RETIRED

For minor mobilization very little, if any, additional shelter will be required for mobilization purposes. In a major mobilization an enormous amount of additional shelter will have to be procured. There is ample shelter in the United States for all troops it might mobilize, provided billeting is resorted to. Billeting is authorized by the Constitution of the United States, if authority is granted by Congress. It is doubtful if Congress will authorize billeting. Therefore, shelter must be provided by other means.

In the World War shelter was provided by building great camps or cantonments. The construction was of a temporary nature, and very little of it is serviceable now. The construction of certain depots was of a more permanent character, and some of these are still available for storage purposes. Six or more weeks had elapsed after war had been declared before any construction had begun before even a part of any camp could be used, and it was more than 5 months before they were entirely ready for occupancy. Water, sewerage, light, and road systems had to be constructed in each camp. The road system alone averaged 25 miles for each camp. The amount of material and labor required in this construction was enormous. No one community could supply more than a small portion of that necessary to bring both material and labor from remote points. This placed a burden on the transportation system of the country which it could ill afford to bear at the time. It was the immediate cause of great economic disturbance. To appreciate the magnitude of the operation of building these camps, one could read the report of the Secretary of War for 1917 and 1918.

The present plans—'28 mobilization plan—of the War Department do not contemplate, in a future mobilization, the building of great camps and cantonments similar to those constructed during the World War, because of the time it takes, their cost, and the large amount of labor and material required and which could be more profitably employed elsewhere.

In lieu of camps and cantonments, the policy is to charge each corps area commander with the responsibility of procuring shelter for the troops mobilized by him. It is understood that he will undertake no construction unless he finds that after full use is made of available public buildings, supplemented by available tentage and suitable privately owned buildings, additional shelter is still required. Such construction as must be undertaken must conform to specifications prescribed by the War Department, and where possible should be located at places where water, sewerage, light, and roads are available.

Due to changing conditions, it is fully realized that a corps area commander will seldom be able definitely to count on the use of any public buildings, except those on Federal and State military reservations, nor on privately owned buildings, except hotels situated at resorts, or in populous centers. Therefore, a corps area commander's plans must contemplate more or less construction to take care of requirements above the accommodations that he can depend upon. It is also realized that a corps area commander cannot definitely plan construction on any particular space, for a space available today may not be available tomorrow. He can only plan to use certain areas. For example, no plan could be made to construct shelter on a certain lot or block in the City of Baltimore, but it would be possible to plan the construction of a sufficient amount to shelter a division in Baltimore and its surrounding environments, since every city the size of Baltimore will always have sufficient open spaces already installed. The number of troops that can be accommodated in a city will depend upon the facilities that are available, but it is more than probable that any city with a population of 5,000 or more will be able to accommodate a battalion or more. As a matter of administration, as many troops as can possibly be accommodated and trained should be assembled in a single area. The necessity for any construction in the smaller cities of most corps areas would then be obviated.

Strict observance of the rule that shelter be constructed at places where water, sewerage, light, and roads are available, should reduce the demand for labor and material to such an extent that the local supply, supplemented by that found in the neighboring towns and cities, would suffice. It would also make it possible to complete the construction in a very short period of time. It would reduce the demands made on the transportation system, and would effect an important saving in money.

The question as to where troops mobilized in cities will be trained, naturally must be considered. Noncombatant troops can be trained in streets, parks, and other open spaces. These same places are also suitable for the first stages of the training of combat troops. For the final stages of their training, the combat troops should be sent to suitable areas, where the prescribed training under field conditions of service can be had. Areas suitable for this purpose can usually be found within a radius of 100 miles of any city.

EXHIBIT No. 47

Twenty-ninth Division Area

Building Number TI 115-----Twenty-ninth Division headquarters

Map number:	Building designation
TA 58-----	Headquarters, 104th Medical Regiment.
TB 45-----	Headquarters, 104th Quartermaster Regiment.
TB 107-----	Firehouse.
TC 89-----	Headquarters, 115th Infantry.
TC 95-----	Headquarters, 58th Infantry Brigade.
TD 55-----	Headquarters, 175th Infantry Regiment.
TD 93-----	Theater.
TE 15-----	Telephone and telegraph building.
TF 3-----	Headquarters reception center.
TF A-----	Gymnasium.
TG 53-----	Headquarters, 116th Infantry Regiment.
TH 7-----	Headquarters, 88th Infantry Brigade.
TH 3-----	Firehouse.
TH 4-----	Service club.
TG 99-----	Hostess house.
TI 47-----	Headquarters, 176th Infantry Regiment.
EI 109-----	Post office, A. P. O. 29.
TI 110-----	Main post exchange, 29th Division.
TJ 9-----	Headquarters, Special Troops, 29th Division.
TK 5-----	Headquarters, 121st Engineers Regiment.
TH 1-----	Theater.
TL 19-----	Headquarters, 105th Antitank Battalion.
TM 14-----	Headquarters, 191st Tank Battalion.
TL 33-----	Firehouse.
TN 13-----	Headquarters, 176th Field Artillery Regiment.
TP 1-----	Headquarters, 54th Field Artillery Brigade.
TP 43-----	Headquarters, 110th Field Artillery Regiment.
TP 57-----	Headquarters, 111th Field Artillery Regiment.
TO 86-----	Headquarters, Station hospital.
MP-----	M. P. information booth.

POST INSTALLATIONS

1. Post headquarters.
2. Post Theater.
3. Post chapel.
4. Post hospital.
5. Post officers' area.
6. Post warehouses.
7. Post quartermaster office.
8. Post post office.
9. Post exchange.
10. Post military police detachment headquarters.
11. Post fire and guard houses.
12. Post officers' club.

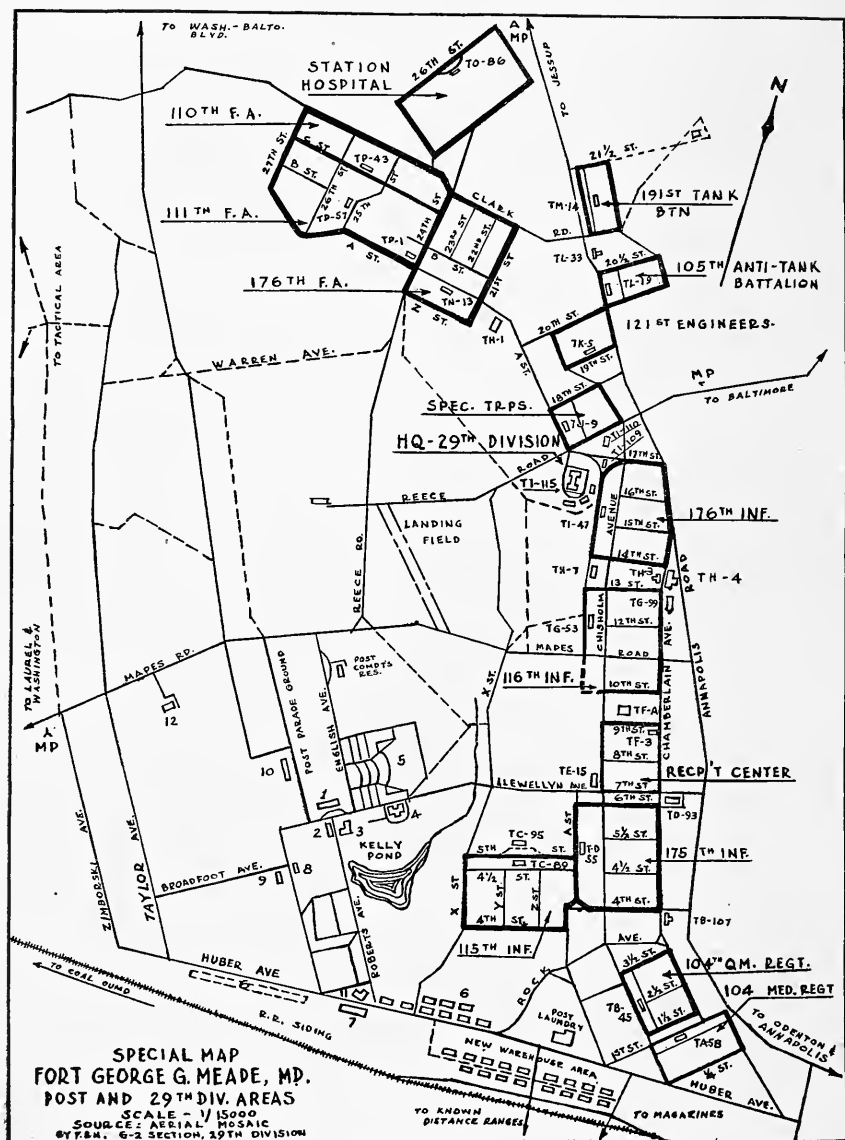


EXHIBIT No. 48

HEADQUARTERS SEVENTH CORPS AREA

OFFICE OF THE CORPS AREA COMMANDER

AG 601—Acquisition of Land

OMAHA, NEBRASKA, *August 2, 1940.*

PROCEEDINGS OF A BOARD OF OFFICERS ON LAND ACQUISITION SEVENTH CORPS AREA

I. Pursuant to the verbal instructions of the Commanding General, a Board of Officers, consisting of:

Lt. Col. F. W. Herman,
Lt. Col. Clinton I. McClure,
Major William C. Louisell,

departed from this headquarters via automobile on Monday, July 15, 1940, and returned to Omaha on July 23, 1940, for the purpose of visiting certain proposed areas recommended as training centers for the Seventh Corps Area, and report on the desirability of each.

There are attached hereto descriptions of tracts of land inspected and marked "Exhibits A-F," inclusive, as follows:

Exhibit A—Decatur County, Iowa.
Exhibit B—Rolla, Missouri (Mark Twain National Forest).
Exhibit C—Fort Riley.
Exhibit D—Nebraska Areas.
Exhibit E—Camp Joseph T. Robinson, Arkansas.
Exhibit F—Fort Robinson, Nebraska.

II. *Facts bearing upon the problem.*

1. (a) South Central Iowa—The necessity for a training area in the Seventh Corps Area has been recognized since 1923 when the then commanding general recommended to the War Department the acquisition of approximately 46,000 acres in the vicinity of Norfolk, Nebraska, at an estimated price of about \$50.00 an acre. In 1936 the corps area commander directed that a study be made to determine the best possible location for a training center for troops of the Seventh Corps Area, and the result of this study showed the desirability of having the training area located either in southern Iowa or northern Missouri as this was near the center of gravity of not only population but training activities. As a further result of this study, recommendations were made to the War Department resulting in the passage of H. R. 5735, an act of Congress for the acquisition of additional land for military purposes which, in addition to authorizing the purchase of several other tracts, authorized the following: Seventh Corps Area training center, south central Iowa, 40,000 acres more or less, and Fort Meade, South Dakota, 7,680 acres more or less. The additional acreage adjacent to Fort Meade was included in the above bill over the objection of the Corps Area Commander, as it was not believed necessary to expend further Federal funds for land so far away from the center of normal training activities and where the climate was not suitable for year-round training. The act of Congress mentioned above authorized the purchase of the areas in southern Iowa and South Dakota but to date no funds have been made available to carry this authorization into effect.

(b) Mark Twain National Forest—The Missouri area located southwest of Rolla, Missouri, first came to the attention of this headquarters about three years ago when the War Department directed contact with the Forestry Service of the Seventh Corps Area looking toward the location of a corps area training center. The Department of Agriculture has been purchasing ground in this area, which is known as the Mark Twain National Forest, since 1935 and to date has acquired approximately 129,000 acres.

(c) Arkansas areas—The study of training areas in Arkansas goes back to the establishment of Camp Pike, north of Little Rock, as a division and unit training center during the World War. In 1919 and 1920 the majority of the ground under lease by the Federal Government was returned to its owners and approximately 5,000 acres now known as Camp Joseph T. Robinson is owned by the Federal Government. This area is utilized as an Arkansas National Guard summer training camp and has installations; that is, kitchens and baths, for approximately two regiments. During recent years three proposals have been made looking to the increase of training areas in Arkansas. First, an area contiguous to and lying just north of the present Camp Joseph T. Robinson, second, the Ferguson ranch area which is located about 25 miles west of Little Rock, and third, Little Rock-Pine Bluff area located just south of Little Rock. The city of Little Rock proposes to extend the facilities of the municipal water plant to furnish sufficient water for any military installations established in either of these three areas.

(d.) Fort Riley—Since the World War the Fort Riley reservation has been used as a training area for the Cavalry School and as a summer training camp for infantry, cavalry, and artillery of the Kansas National Guard. From time to time artillery units from Missouri have received their summer training in this National Guard camp. For approximately ten years the commandants of the Cavalry School have felt that the Fort Riley reservation is too small to permit proper cavalry and artillery training. Recommendations have been submitted both through this headquarters and direct to the Chief of Cavalry, looking to an increase in the size of the military reservation but opposition has been met by the local owners and no definite action has been taken by the War Department looking to the acquisition of additional land in this area.

(e.) Nebraska areas—Since the recent increase in military activities looking to a more proper national defense, the Omaha Chamber of Commerce has presented two proposed training areas within the State of Nebraska, one located north of North Platte, Nebraska, and the other located north of Grand Island, Nebraska. In addition, within the state of Nebraska, the Chadron Chamber of Commerce has recommended the acquisition of an airport, bombing range, and training center within the vicinity of that city and adjacent to Fort Robinson, Nebraska.

2. *Necessity for Seventh Corps Area Training Center.*—Within the Seventh Corps Area, there are located the following Regular Army posts, Fort Lincoln, Fort Snelling, Fort Meade, Fort Des Moines, Fort Robinson, Fort Omaha, Fort Crook, Jefferson Barracks, Fort Leavenworth, and Fort Riley and with the exception of Fort Robinson and Fort Omaha, some tactical combat units are located at these stations. With the exception of Fort Riley, the military reservations at these Regular Army posts are so small as to prohibit the firing of the new M-1 rifle with the Boattail ammunition. For the reasons as given, it is necessary to have a training area not only to permit the technical training of the combat arms which include 30 and 50 calibre small arms, 37 millimeter, 75 millimeter, and 155 millimeter cannon, but also combat ranges and maneuver areas. With the advent of Army maneuvers in 1937 it becomes necessary for the corps area to have a training center where small army corps can maneuver and where the organic weapons of all combat units can be fired, this to include the 105 millimeter anti-aircraft gun. The same necessity exists for the periodic combined training of the more than two divisions of National Guard Troops allotted to the states of the Seventh Corps Area.

3. *Sites of Training Centers Considered.*—Between the dates of July 15 and 23, 1940, the land acquisition board visited the areas described on the following chart:

(The following areas are covered in greater detail in the exhibits marked "A"—"F" inclusive, attached hereto.)

Description of Areas

Area	Size (acres)	Terrain	Climate	Distance from center of popu- lation, corps area (miles)	Cost (per acre and total in millions of dollars)
Missouri: Rolla.....	¹ 411,000	Diversified, wood- ed foothills, streams.	Moderate summer and winter.	210	\$7; \$2.5 mil.
Arkansas: Camp J. T. Robinson.	² 250,000	Diversified, wood- ed upland, dry.	-----do-----	380	\$12; \$3.8 mil.
Iowa: Leon, Iowa- Princeton, Mo.	³ 150,000	Diversified, roll- ing, woods, streams.	Hot summers; cold winters.	50	\$16; \$2.4 mil.
Kansas: Fort Riley..	80,000	Bare, rolling, dry creeks.	-----do-----	160	\$15; \$1.2 mil.
Nebraska: North Platte....	400,000	Bare, rolling, dry, sandy.	Hot summers, cold winters; wind, dust.	320	\$4; \$1.6 mil.
Grand Island.....	⁴ 400,000	-----do-----	-----do-----	200	\$6.50; \$2.6 mil.
Fort Robinson..	⁴ 400,000	Buttes, prairies, woods, streams.	Moderate sum- mers, 4,000-foot elevation, cold winters.	450	\$4; \$1.6 mil.

¹ Ample.² Adequate.³ Small.⁴ No limit.

4. *Present status of each proposed area.*—(a) South Central Iowa (Decatur County)—For the last two years the Commanding General and staff officers of this headquarters have made studies and surveys looking to the acquisition of the south central Iowa tract. This tract is centrally located but is not sufficiently large enough in view of the present need for training of large units.

(b) Rolla, Missouri (Mark Twain National Forest)—The Mark Twain National Forest comprises approximately 411,000 acres in a tract approximately 25 miles square and same has been in the process of acquisition by the Forestry Service of the Department of Agriculture since 1935 and at the present time the Federal Government has title to approximately 129,000 acres. This is the most suitable, from every consideration, of all the tracts examined by the board.

(c) Fort Riley—The present Commandant of the Cavalry School has made efforts to expand the reservation at Fort Riley. He advised the Board of Officers that there is at the present time no local resistance to the acquiring of approximately 30,000 acres lying east of U. S. Highway No. 77 and adjacent to the present military reservation.

(d) Nebraska areas—The Omaha Chamber of Commerce proposed the two sites visited by the board, the first located north of North Platte, Nebraska, and the second located north of Grand Island, Nebraska. These areas are not suitable for training areas, though the tract in western Nebraska, near Chadron, would probably be suitable for a bombing range or for antiaircraft firing.

(e) Arkansas—Near Little Rock, Arkansas, are the areas—Camp Joseph T. Robinson expansion, Little Rock-Pine Bluff area and Ferguson ranch area. The Army Officers making these surveys reported that the Little Rock-Pine Bluff area and the Ferguson ranch area were unsuitable due to the fact that they were too heavily wooded and the terrain was too rough for normal maneuvers and tactical training. Possible training areas adjacent to Camp Robinson, Arkansas, and in the vicinity have been studied by this headquarters. The area adjacent to Camp Robinson was tested in maneuvers of about 5000 troops last winter. Considerable difficulty was experienced in obtaining on even temporary leases about 40,000 acres. The Camp Joseph T. Robinson area is satisfactory and suitable but lacks the necessary water supply and its acquisition would be difficult at present due to the large rural resident population.

(f) Fort Robinson—The Chadron Chamber of Commerce recommended to the Commanding General, Seventh Corps Area, an air field of about one square mile in size, a bombing range of about one township, and a training area of unknown size in the vicinity of Chadron, Nebraska, and Fort Robinson, Nebraska.

III. *Opinion of board.*

1. Requirements and characteristics of a proper Corps Area Training Center.

(a) A Corps area training center should be of such size as to allow the maneuver of a small army corps. The terrain should be diversified and permit training of all arms, including all types and calibers of artillery; this will require an area of approximately 25 miles square and containing about 400,000 acres.

(b) The climate of the area selected should be such as will allow year-round training. It should be well drained and have an abundant water supply; it should be partly wooded and partly opened and permit a normal training in concealment by all combat units.

(c) It should have the necessary road and railroad communications to permit the prompt and normal supply of troops training in the area.

(d) It should contain the necessary terrain for the installation of a modern air field properly equipped to be used by all types of commercial and combat aviation, which should be approximately one square mile in size.

(e) It is believed that a training area should be purchased at once.

2. Advantages and disadvantages of proposed sites.

(a) South central Iowa area (Decatur County, Iowa.)

Advantages:

Typical terrain for all types of training, as it is partly wooded and partly open.

Abundant water in the Grande and Weldon Rivers.

Not traversed by highways.

Marginal land.

Available for purchase.

Centrally located within corps area with respect to population and centers of gravity.

Served on east and west by two highways and two railroads.

Proper terrain for known distance ranges, combat ranges and restricted field artillery ranges.

Authorized for purchase by act of the 76th Congress, approved July 26, 1939, with funds not as yet made available to consummate purchase.

Disadvantages:

Restricted in width, that is east and west, to a maximum of about 13 miles by location of railroads. This limits its use as an anti-aircraft range.

Weather is quite severe in winter and will limit the number of training days possible during the months of January and February.

It would be necessary to move several small towns and require the movement of approximately 4000 people living in the area.

(b) Mark Twain National Forest area, Rolla, Missouri.

Advantages:

Ample size for the training of a small army corps and to fire all weapons of the combat branches, including 105 mm antiaircraft.

It is readily available for purchase at a reasonable price. Twenty-nine per cent is at this time owned by the government, having been purchased by the Forestry Service of the Department of Agriculture.

The climate is satisfactory for all year round training. It is not so cold during the winter and yet cool during the hot summer months, due to its location in the foot hills of the Ozarks.

The terrain is diversified and rolling, offering cover and concealment.

It provides all varieties of terrain required for complete training.

Served by U. S. Highway 66 and the Frisco Railway on the north; good secondary road through the area.

Abundant supply of water in Gasconade River and Big Piney Creek.

Very thinly populated, necessitating the movement of approximately 1500 people, should complete acquisition be made.

Disadvantages:

Clearing will be required in places, in order to provide adequate artillery range.

The area is traversed by the Gulf 8" pipe line, carrying high volatile oil.

4(c) Fort Riley, Kansas.

Advantage:

Gives greater area to the Cavalry School for its normal school functions.

Disadvantages:

Special type of terrain and not suitable for all types of training for combat units.

(d) Nebraska areas (this includes the area north of North Platte, Nebraska, and the area north Grand Island, Nebraska).

Advantages:

Unlimited amount of land could be obtained at a relatively low price.

Disadvantages:

Terrain comprises sand hills utilized primarily for pasture and grazing of cattle.

There are no trees in the area to provide normal cover.

Winters are cold and subject to blizzards; summers are hot and subject to sand storms.

No streams that could be used in the general training of combat units.

These training areas are situated at a considerable distance from the population centers of the Seventh Corps Area and hence are not readily accessible.

4(e) Camp Joseph T. Robinson, Arkansas.

Advantages:

Red sand and diversified terrain.

Adjacent to Camp Joseph T. Robinson.

Climate is satisfactory for all year round training.

It is readily accessible by a proper highway and railway communication system.

Would permit the training of all combat arms, to include firing of all artillery weapons.

Disadvantages:

A great distance from center of gravity of population and training of the Seventh Corps Area.

Would require three months time and half million dollars to extend Little Rock water system to the area.

The area in question is populated by approximately 8,000 persons and they would probably resist movement from their present homes, which would require court condemnation proceedings and increase the cost of purchase and time required too would be more than that which would be normally expected.

Some clearing would be required to provide the necessary field artillery firing ranges.

4(f) Fort Robinson, Nebraska.

Advantages:

Amount of area that could be purchased not restricted.

Price would be quite reasonable.

On Rocky Mountain plateau and has good summer climate.

Area is served by the White River, which furnishes adequate water supply.

Disadvantages:

As a training center it is located at too great a distance from the population and troop center of the Seventh Corps Area.

Cold winter climate which would prohibit outdoor training.

3. General.

a. It is the opinion of the board that a corps area training center should not be located in the states of Minnesota, North Dakota, South Dakota and western Kansas and Nebraska, because of severe winters and unseasonable climate, which would restrict the possible man days of training in the area below that necessary for normal progress of training.

b. The board is of the opinion that any training area should be completely acquired by the federal government and under exclusive jurisdiction of the commanding general, Seventh Corps Area, to permit unlimited use in training, to include firing of all weapons and antiaircraft artillery practice.

IV. Recommendations.

1. After consideration of all information available to the board, it is recommended that the Mark Twain National Forest area, located in the vicinity of Rolla, Missouri, be purchased without delay by the federal government and complete jurisdiction of the area with the commanding general, Seventh Corps Area.

2. It is recommended that effort be made to acquire approximately 250,000 acres of additional land adjacent to Camp Robinson, in order that this government owned reservation of Camp Joseph T. Robinson may be made suitable for a mobilization and training center, particularly for winter training.

In view of the large Army Expansion Program in immediate prospect, it is considered necessary to have more than one large training center in this corps area. Under present conditions, suitable training areas within the corps area are of first and vital importance.

3. From the information available to the board, no other proper areas are known which should be considered for acquisition as a Seventh Corps Area training center.

F. W. HERMAN,
Lieutenant Colonel, Engineers,
President.

CLINTON I. McCLURE,
Lieutenant Colonel, Field Artillery,
Member.

W. C. LOUISELL,
Major, 17th Inf.,
Recorder.

HEADQUARTERS SEVENTH CORPS AREA,
Omaha, Nebraska, August 3, 1940.

Approved.

P. P. BISHOP,
Major General, U. S. Army,
Commanding.

EXHIBIT No. 49

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, October 23, 1940.

Subject: Proposed training area at Leon, Iowa.

Memorandum for: Colonel Godfrey.

1. As suggested by you in our conversation a few days ago, there are submitted herein data on some nonmilitary aspects of the proposed training center at Leon, Iowa, which should be given careful consideration before a final decision is made. The information and data presented are the result of an intimate knowledge of this section of Iowa based on official records of State and Federal data collection agencies, gained through 8 years of teaching experience at the University of Iowa, 4 of which included serving as consultant to the State Fish and Game Commission on hydrologic problems and as chief engineer for the Iowa State Planning Board engaged primarily in studies of the water resources of Iowa.

2. *Underground water.*—(a) The most serious handicap to the development of a large training center at this location is that of a water supply adequate to meet the requirements of a troop concentration of the size now contemplated. Lesser problems are those of severe winters and undesirable weather and ground conditions during the spring months.

(b) The proposed training center is located in a part of Iowa that is covered with a discontinuous blanket of loess of varying depth and immediately underlain, for the most part, by formations of the Pennsylvanian system, a generally unreliable water producer both as to quality and as to quantity. Throughout this entire area formations of the Pennsylvanian system are regarded as non-producers except for a few lenticular sandstone beds of limited capacity and difficult to locate. Waters from the deeper formations are generally quite high in chlorides, sulphates, sodium and calcium and, although low in calculated

hardness in some instances, are too highly mineralized for domestic consumption. Moreover the yield from the deep formations is limited.

(c) As examples of the characteristics of water from deep sources in Decatur County, data on three municipal supplies are given in the following table.

Characteristics of municipal water supply in Decatur County¹

	Davis City	Lamoni ²	Leon
Depth of well.....	947 feet.....	1,123 feet.....	1,100 feet.....
Pump test.....		100 gallons per minute.....	35 gallons per minute.....
Aquifer (geological system).....	Mississippian.....	Silurian.....	Mississippian.....
Total solids.....	2,827 parts per minute.....	4,629 to 7,160 parts per minute.....	2,478 parts per minute.....
Alkalinity (MeO).....	418.....	25 to 275 (average 175).....	354.....
Alkali as sodium.....	903 parts per minute.....	1,230 to 1,902 (average 1,623) parts per minute.....	756 parts per minute.....
Calcium.....	32 parts per minute.....	149 to 320 (average 239) parts per minute.....	44 parts per minute.....
Magnesium.....	11 parts per minute.....	69 to 88 (average 78) parts per minute.....	14 parts per minute.....
Iron.....	2.5 parts per minute.....	0 to 22.5 (average 10.6) parts per minute.....	0.6 part per minute.....
Chlorides.....	238 parts per minute.....	987 to 1,417 (average 1,100) parts per minute.....	107 parts per minute.....
Sulphates.....	1,350 parts per minute.....	1,890 to 3,270 (average 2,653) parts per minute.....	1,309 parts per minute.....
Calculated hardness.....	128 parts per minute.....	671 to 1,166 (average 929) parts per minute.....	170 parts per minute.....

¹ Mineral Analysis of the Underground Waters of Iowa. The Iowa State Planning Board, 1938.

² 7 analyses are available on the Lamoni municipal supply.

(d) Some underground sources of water supply are developed from recent deposits, chiefly sands and gravels, in the stream valleys. But the waters secured from these sources frequently are high in iron and produced in limited quantities. Shallow wells in the upland areas have been very unreliable, being dry much of the time during recent years as a result of lowered ground water tables.

3. *Surface water supply.*—(a) Because of the limited yield of underground aquifers in south central Iowa, almost all municipalities having a municipal water system have turned to surface supplies. Of the 12 using surface water sources only 2 have placed their dependence upon stream flow; all others rely on surface impoundment in small reservoirs. The general inadequacy of the existing surface supplies was first observed in 1930. In 1934 an outstanding drought year, water supply became a tremendous problem when 4 cities were forced to ship water by rail from the Missouri River at Council Bluffs, Iowa, and a fifth, Osceola—some 25 miles to the north of Leon, pumped water from St. Joseph, Mo., through a newly constructed gasoline pipe line. The difficulty of securing an adequate surface water supply throughout this section is aggravated by (1) very high evaporation rates, the average annual rate varies from 36 to 48 inches per year but may exceed 60 inches in exceptional years; (2) extremely variable run-off rates which make necessary an unusually large storage capacity; and (3) heavy silting from the easily eroded watersheds, especially from the loessial deposits.

4. *Existing surface water resources (stream flow).*—(a) From Colonel Herman's letter, the Weldon River, in the eastern part of the area, and Thompson Fork (Grand) River appear to be the streams on which dependence would be placed for water supply both for "domestic" and for training purposes. Both these streams flow within well-defined channels between banks 8 feet or more in height and rarely more than 75 feet apart. In its lower course the Weldon River has been dredged; the straightened channel will average 15 feet deep with vertical banks.

(b) At Davis City the Thompson Fork (drainage area 670 square miles) a gaging station was maintained from May 14, 1918, to July 2, 1925. During that period a minimum low flow of 1 second-foot occurred on several occasions (September 18, and 27–29, 1918), and averaged only 8.47 second-feet for the entire month of September 1918.¹ Occasional measurements have been made by

¹ Water Resources of Iowa, 1873–1932. The Iowa State Planning Board, 1935, published in cooperation with the U. S. Geological Survey and the Iowa Institute of Hydraulic Research.

the United States Geological Survey during the period since about 1930, and on August 16, 1934, a zero flow was recorded at Davis City. From personal knowledge it is known that there was no visible flow at this point for a period of several weeks during the summer and fall of 1934. In 1936 the flow again approached zero for several weeks.

(c) Similarly, in the Weldon River, a much smaller stream than the Thompson Fork in the manenver area, all visible flow ceased for periods of several weeks in 1934 and 1936, although the fact is not a matter of record in the United States Geological files.

5. *Surface supply requirements.*—a. Because of the absence of adequate natural water resources in the south central part of Iowa the problem of creating artificial lakes in the area to relieve the situation has been studied intensively both by State and local agencies. To the best of my knowledge, suitable storage sites of a size to provide an adequate water supply for the concentration of troops contemplated have not been found in this general area.

b. To provide sufficient water for a troop concentration of approximately 25,000 men a daily supply of between 1,000,000 and 1,500,000 gallons per day would be required based on a per capita consumption of 40 to 60 gallons per day. Studies of existing municipal supplies² have indicated that for small municipal supplies in south central Iowa, 250 acres of water-shed and 55,000,000-gallon storage capacity per 1,000 population are required as an absolute minimum for even a curtailed domestic consumption. The applicability of these criteria to the requirements of a population of 25,000 may be open to question and for that reason a criterion that storage capacity should be not less than two years' supply plus evaporation losses becomes a more conservative measure of adequacy. On this basis a reservoir capacity of at least two billion gallons or approximately 6,000 acre-feet, plus additional storage for evaporation losses, would be required to insure an adequate water supply for the proposed training center.

c. It is obvious from the brief data given above that the problem of securing an adequate water supply for a 25,000-man training center near Leon is one not to be waved aside with cursory consideration. Before final decision on the location of any new training center is made, a careful and thorough study of the water supply and related features should be made by qualified persons. The proposed site near Leon is an outstanding example of the need for consideration of other than purely military factors in deciding upon a training center location.

O. J. BALDWIN,

Captain, Corps of Engineers, Reserve.

EXHIBIT No. 50

OCTOBER 29, 1940.

Memorandum for the assistant chief of staff, G-4

Subject: Preliminary report on water supply, VII Corps Area Training Center near Lineville, Iowa.

1. Transmitted herewith is Preliminary Report on Water Supply at the VII Corps Area Training Center near Lineville, Iowa, as submitted by Alvord, Burdick & Howsen, architect-engineer for the project.

2. The information contained in this report is not sufficient to make better than a guess as to the cost of this water supply. However, it is believed the cost will approximate \$1,250,000.00.

3. The real estate purchase agreements for this camp have not been closed but are definite enough to accept. This information is supplied in order that you may be advised that a change in camp location may be made at the small cost of the investigation work which the Soil Conservation Service has made for the office.

4. Your attention is particularly called to the extracts from the report of the Iowa State Planning Board 1936 quoted on page 2 of the Engineer's Report.

For The Quartermaster General:

C. D. HARTMAN,

Brigadier General, Quartermaster Corps.

² Water Use and Conservation in Iowa, vol. III—South Central Iowa River Basins. The Iowa State Planning Board, 1936.

PRELIMINARY REPORT ON WATER SUPPLY, SEVENTH CORPS AREA TRAINING CENTER NEAR LINEVILLE, IOWA

MR. A. M. FEREBEE,

*Fixed Fee Section, Office of Quarter Master General,
Railroad Retirement Building, Washington, D. C.*

DEAR SIR: At your request we make the following preliminary report on water supply for the Seventh Corps Area Training Center near Lineville, Iowa. Your request for a report by air mail today and limited facilities for assembling supporting data necessarily makes the report quite brief but the conclusions are believed to be dependable.

Briefly it is concluded:

(1) That there is no possibility of securing an adequate supply of ground water at any place in south central Iowa.

(2) That a dependable surface supply, capable of development by February 1, 1941 can be secured from Grand River (sometimes called Thompson River) at a point 15 miles west of Lineville.

(3) That the above conclusions are the same if applied to a camp housing location west of Lineville on the proposed "training area" or farther west in Decatur County, except that the supply pipe line would be shortened depending upon the exact location of the camp.

(4) A supply for the contractor must be hauled from Allerton 12 miles, or Corydon 17 miles by rail in sanitary tank cars. This is not serious for the small quantity required.

Quantity needed.—Population proposed estimate of October 10, 1940, 24,683. Gallons per day at 100 gallons per capita, 2,468,300.

In selecting a supply, consideration should be given to the probability of an increase in the above stated population.

General conclusions are unchanged even if population should be increased 50 percent.

Ground water.—The only ground water supplies in Iowa comparable in size to above are at Des Moines, Sioux City, Marshalltown, and Dubuque. At these places underground conditions are very different from south central Iowa.

The only town or village in Iowa within 25 miles of Lineville, supplied by ground water is Leon¹ 16 miles away on a straight line. The supply at Leon is from two wells as follows:

	Well No. 1	Well No. 2
Depth (feet).....	1, 100	700
Water level from surface (feet).....	500	500
Gallons per minute.....	75	50
Population supplied.....	2, 100	
Used gallons per day:		
Normal.....	50, 000	
Maximum.....	75, 000	

Time required to construct one well 3 to 7 months; quality of water highly mineralized.

Enough water for farm use can be obtained at most places, principally by "dug wells" in the clay or small sand pockets. Many farms have "catchment ponds" for the use of stock.

The report of the Iowa State Planning Board, 1936, states as follows:

"The problem of ground water supply in this area is serious as it will be noted that there is not a single dependable aquifer which is capable of yielding a large quantity of good quality water."

Everything points toward the conclusion that there is no favorable ground water supply for a camp either in Decatur County or Wayne County, nor in the surrounding counties.

¹ There is also a well supply at Davis City, population 700.

Surface water.—Surface water is collected in this region by earth dams storing water in low places bordered by hills. There are many favorable places like this in this locality.

The Iowa State Planning Board (1936) estimates that with adequate storage about 250,000 gallons per day can be furnished from each square mile. I believe this is substantially correct. The above conclusion is based on a study of the experience of cities in the 1934 drought, the driest year since Iowa has been settled.

On this basis 10 square miles would furnish 2.5 M. G. D., the present camp requirements.

The Weldon River, at a point 4 miles west of Lineville has a drainage area of 100 to 130 square miles depending on the best place to dam it. However this stream is dry at present and on incomplete data at present there is no certainty that sufficient water could be caught before Feb. 1, 1941. Good data will be available in a few days.

The Grand River at a point 15 miles west of Lineville, near Davis City, has a drainage area of 670 square miles and is now flowing 16 second-feet (float measurement). In the dryest year, 1934, some storage would have been needed for the camp but not very much. The flow fell to 2 second-feet for a few days. There is no other continuous stream nearer to Lineville.

Storage site.—There is a good reservoir site adaptable to the Grand River supply where water could be stored, in any amount up to a years use. It is already surveyed and we have a contour map of it, made by the Civilian Conservation Corps, for a recreation lake. This reservoir site is in the line from Grand River to the Camp about 1 mile from Grand River.

Without investigation of details I believe earth work for necessary storage could be done in about a month. Some water could be stored in the reservoir in less than a month. This assumes fast work.

Elevations.—General Lineville Camp Site, population 531; elevation, 1100 (sea level); Grand River near Davis City about 875; Weldon River 4 miles west of Camp about 875; Ground on line Grand River, or from Weldon River, to camp site all lower than camp site.

Development of Grand River supply.—The Grand River supply would be developed as follows:

Pump electrically directly to camp site into settling basins of filter plant to be closed at camp site. Thence the water would flow by gravity through filters and into clear water reservoir. From there the water would be pumped into the camp's pipe system on which would located a suitable, elevated tank 300,000 to 500,000 gallons capacity. Height to top of tank probably not more than 140 feet. Sea level elevation of tank top about 1240 feet.

At the Grand River pump plant install one or two large pumps for reserve storage supply to catch large quantities of flow and to store the same in the above suggested storage reservoir adjacent to Grand River. The height for this pumping not yet determined but probably not very great.² These pumps would be in addition to the pumps for the camp supply; but the camp supply pumps could fulfill the same purpose by suitable pipe connections, within their capacity.

Filter plant.—All surface waters must be filtered. There are no especial difficulties about a plant. The capacity of a plant should probably not be less than 4 M. G. D. Concrete filter beds, coagulating basins, and clear water reservoir would probably be best, though filters in tanks or tubs might be most favorable, depending upon availability.

Development from Weldon River.—The general plan of supply from Weldon River would be essential the same as is above the described supply from Grand River, except that the supply line from river to camp would be about 4 miles long instead of 15 miles long in the case of the Grand River supply.

If we had a year to build a water supply, Weldon River would undoubtedly be selected, for any camp site in the training area near Lineville or elsewhere. Complete hydrographs which will be in our hands within a day or two may indicate the feasibility to secure a supply from Weldon River for camp occupancy by February 1, 1941, but this is doubtful on present information.

² Probably about 70 feet by inspection.

Supply for construction purposes.—Water for construction purposes must be hauled from the villages of Allerton or Corydon, where sufficient supplies of filtered water are available for this purpose, approved by State Board of Health. Railroad haul on C. R. I. & P. railroad would be possible for camp at Lineville. Truck haul would be necessary for any other location of the camp on training area. It is believed that sanitary tank cars or trucks could be secured, though not now available in this immediate area, so far as we know. Milk is hauled in this way at various places in the country. Provisions would necessarily be made in order to prevent such tanks from freezing in very cold weather. This is believed to be practicable.

For contractor's use, water would be pumped from tank cars or trucks into a wooden elevated tank, say 20 feet above ground and piped to contractor's work and to temporary housing.

If the water is hauled, a very limited number of water closets only could be supplied. Dry closets will necessarily be used for the general labor forces pending the completion of camp water supply.

Closure.—Necessity for report today necessarily precludes supporting data for conclusions expressed herein and the preparation of a map that would perhaps make the subject more clear.

It is believed that conclusions as stated are substantially correct and will probably not be materially altered unless it should be possible that complete hydrographs might be able to show Weldon River a practical source for February 1, 1941, camp occupancy.

Respectfully submitted.

ALVORD, BURDICK & HOWSON,

CHAS. R. BURDICK,

FRED G. GORDON,

Water Supply Engineer

Engineers for Construction Quartermaster.

LEON, IOWA, October 25, 1940.

Holding a copy for G. H. Collins, lieutenant colonel, Coast Artillery Corps Reserve, constructing quartermaster.

No other copy sent out.

THOMPSON RIVER (GRAND) AT DAVIS CITY, IOWA

Location.—In sec. 35, T. 68 N., R. 26 W., at highway bridge in Davis City, Decatur County, 22 miles below mouth of Long Creek. *Drainage area.*—670 square miles. *Records available.*—May 14, 1918, to July 2, 1925, when station was discontinued. *Extremes of discharge.*—1918-25: Maximum discharge, 16,700 second-feet, July 19, 1922 (gage height, 19.85 feet); minimum discharge, about 1 second-foot, September 18-24, 27-29, October 15 and 16, 1918. A stage of 22.8 feet referred to present gage was recorded August 8, 1885 (discharge about 17,600 second-feet). *Accuracy.*—Stage-discharge relation affected by ice. Records good with exception of winter records which are fair

Mean monthly run-off in CFS

	1918	1919	1920	1921	1922	1923	1924	1925
January.....		54.8	14.5	20				
February.....		158	525	138	169	1.18		472
March.....		809	1,090	136	218	750		91.5
April.....		1,100	1,640	311	124	311		59.7
May.....	545	1,270	767	430	554	164		24.3
June.....	547	2,330	392	430	101	142		339.0
July.....	40.2	74.2	357	26	1,744	148		
August.....	33.6	19.9	113	36	573	152		
September.....	8.5	175	820	181	405	113		
October.....	44.8	140	32.7	56	88.5		29.4	
November.....	79.5	489	33.2	40.7	947		26.8	
December.....	53.6	24.2	41	16.6	75.8			

¹ Estimated.

Grand River at Trenton, Mo.—Discharge in second-feet

(Information by phone from Wayne I. Travis, acting district engineer, Iowa City)

(Drainage area 1,680 square miles)

	1934				1934		
	July	August	September		July	August	September
1.....	16.0	1.7	113.0	17.....	3.6	50.0	189.0
2.....	12.0	3.6	152.0	18.....	3.6	832.0	109.0
3.....	11.0	4.4	293.0	19.....	2.8	3,780.0	86.0
4.....	10.0	2.0	967.0	20.....	1.7	525.0	67.0
5.....	11.0	2.0	409.0	21.....	1.7	192.0	240.0
6.....	8.0	2.0	330.0	22.....	2.0	122.0	150.0
7.....	5.0	1.7	180.0	23.....	2.0	84.0	90.0
8.....	6.0	1.7	113.0	24.....	1.7	59.0	69.0
9.....	16.0	1.4	80.0	25.....	4.4	44.0	54.0
10.....	15.0	1.1	53.0	26.....	2.8	36.0	48.0
11.....	8.0	8.0	46.0	27.....	2.0	29.0	201.0
12.....	10.0	19.0	53.0	28.....	1.7	25.0	115.0
13.....	7.0	6.0	1,770.0	29.....	1.7	19.0	897.0
14.....	5.0	6.0	1,270.0	30.....	1.4	18.0	258.0
15.....	6.0	6.0	312.0	31.....	2.0	39.0	-----
16.....	5.0	36.0	208.0	Mean.....	6.0	192.0	298.0

Flows at Davis City presumably about 40% of these figures. Year 1934 was the greatest drought on record in Iowa.

Mean monthly flow

	December	January	February	March		December	January	February	March
1928.....	1,110.0	152.0	1,610.0	3,690.0	1935.....	103.0	44.2	835.0	1,241.0
1929.....	160.0	89.3	983.0	491.0	1936.....	69.6	263.0	3,001.0	1,922.0
1930.....	67.9	31.0	26.6	214.0	1937.....	35.8	25.4	23.7	17.6
1931.....	2,100.0	3,180.0	1,100.0	884.0	1938.....	13.2	16.2	29.7	2,545.0
1932.....	592.0	345.0	194.0	293.0	1939.....	-----	-----	-----	-----
1933.....	51.0	68.9	35.4	62.9	1940.....	-----	-----	-----	-----
1934.....	570.0	456.0	694.0	948.0					

EXHIBIT No. 51

WASHINGTON, D. C., November 5, 1940.

Subject: VII Corps Area Training Center.

To: The Adjutant General.

PROCEEDINGS OF A BOARD OF OFFICERS TO SELECT SITE FOR VII CORPS AREA TRAINING CENTER

I. Pursuant to verbal instructions from the Assistant Chief of Staff, G-4, (Brigadier General Reybold) and letter, AGO W. D. (10-31-40), Subject: "Orders", File AG 210.482 (10-31-40), D-O JFR/sd-1625, the Board of Officers appointed thereby, proceeded to Rolla, Missouri, on October 31, 1940, for the purpose of selecting a location for the VII Corps Area Training Center.

The Board convened at Rolla, Missouri, at 4:20 P. M., November 1, 1940. Members present: Lt. Col. Robinson E. Duff, (Inf.) G. S. C.; Major William T. Fitts, (Inf.) G. S. C.; Major Louis J. Claterbos, Corps of Engineers; Major Clinton J. Harrold, Quartermaster Corps. In addition to the above named officers, the following Officers from Headquarters, VII Corps Area, Omaha, Nebraska, were present and participated in all investigations and conferences: Colonel Max Elser, Quartermaster Corps; Lt. Col. Frederick W. Herman, Corps of Engineers; Major Charles S. Miller, (Cav.) G. S. C.

II. FACTS BEARING UPON MISSION OF BOARD

1. The site previously selected and designated for the location of the Training Center in South Central Iowa (Decatur and Wayne Counties) did not permit of the economic development of an adequate water supply, as indicated in Memorandum for Colonel Godfrey (Baldwin Report) October 23, 1940, and the preliminary report on Water Supply, Water-Supply Engineer for the Construction Quartermaster, October 25, 1940, attached hereto, and marked Exhibits A and B, respectively.

In addition to the facts as brought out in the above reports, reliable information, rendered by Dr. H. A. Buehler, State Geologist, Rolla, Missouri, to the Board, during several conferences, the development of a water supply at an estimated cost of \$1,250,000.00—a strong doubt prevails that an all-time, adequate water supply could ever be developed in the Iowa area.

During the investigation of the Mark Twain National Forest Area, and the several conferences held in connection therewith, the following representative citizens were consulted and submitted valuable and reliable information to the Board: Dr. H. A. Buehler, State Geologist, Rolla, Missouri; Mr. J. M. Diehl, Forest Supervisor, Mark Twain National Forest, Springfield, Missouri; Mr. E. W. Fobes, Forest Ranges, Mark Twain National Forest, Rolla, Missouri; Mr. N. S. Williams, Assistant Engineer, St. L. & S. F. R. R., Springfield, Missouri; Lt. Col. L. H. Gordon, Corps of Engineers, P. M. S. & T., Missouri School of Mines, Rolla, Missouri.

The Board, accompanied by representatives of the Commanding General, VII Corps Area, Forest Service, and Railroad Company, made detailed road reconnaissances of the area under consideration. Road reconnaissances were supplemented by observations from various Forest Service Look-Out Towers throughout the area, all of which resulted in the Board obtaining a comprehensive picture of this location with respect to training possibilities, suitability for camp-sites, and adequacy of water, power, and transportation facilities.

III. FINDINGS

1. As a result of these reconnaissances and conferences held in connection therewith, the Board finds that:

(a) An excellent camp-site of approximately 2,400 acres in the northeast portion of the proposed Training Area (Ex. D) is located approximately 3 miles from a paved highway, with excellent all-weather gravel roads leading into the Camp Area.

(b) The Big Piney Creek, approximately one and one-half miles east of the Camp Area, which is a spring-fed stream, having a minimum flow of 36 c. f. s. will provide an abundant and an economic supply of water. This stream will also serve as an excellent means for sewage disposal.

(c) It will be necessary, however, to construct approximately 15 miles of Railroad into this site to connect with the main line of the St. L. & S. F. Railroad at the Railhead—Newburg, Missouri, at an estimated cost of \$35,000.00 per mile. Until such time as the Railroad will be constructed (approximately 5 months), it will be necessary to transport all construction materials, supplies, personnel, etc., which arrive by rail, by motor transport from the Railroad (Newburg) into the camp site, a distance of approximately 18 miles.

(d) A suitable training area (inclusive of the camp site) of approximately 96,000 acres as outlined in blue on the attached map (Ex. C) is readily available. This area affords the following advantages from a training viewpoint:

- (1) The terrain is rolling and largely covered with scrub oak.
- (2) There is ample open terrain, some open areas being over a square mile in extent.
- (3) Excellent observation for artillery fire.
- (4) Excellent sites for small arms and combat ranges.
- (5) Maximum ranges for Field Artillery fire available.
- (6) All roads throughout area are gravelled and all weather, providing an adequate road net for transportation.
- (7) Streams on the east and west boundaries of the area offer excellent training possibilities for engineering work and tactical exercises.

(8) All classes of materials required for Engineer training are available on this area.

(9) Climate is such that all year out-door training is possible. The C. C. C. and Forest Service, in this area, have lost only three consecutive work days in the past six years.

(10) The soil, which is gravelly loam, will permit cross country movements practically the entire year.

(11) Daily training areas, target and combat ranges are in close proximity to the proposed camp site.

(c) The proposed area contains approximately 300 families, 13 grade schools, 1 small high school, and a few small churches. All buildings, with the exception of the high school, are of frame construction, low in value. It is estimated that the entire area includes approximately 76,000 acres, of privately-owned land, which may be acquired at an estimated average cost of \$8.00 per acre.

(f) A lesser included area, as shown outlined in red on attached map (Ex.-D), comprising approximately 64,000 acres, of which approximately 52,000 acres are privately-owned, may be acquired, at the same estimated average cost per acre. This lesser included area represents, in the opinion of the Board, the minimum acreage that should be acquired for the Training Center. The maximum range for artillery fire would not be provided within this area.

(g) An alternate camp site and training area is available approximately one and one-half miles from the paved highway, south of Clementine (Ex.-C&D) and approximately six miles from the Railroad at Newburg. It is estimated that approximately six to seven miles of Railroad would have to be constructed into this proposed site. Water and sewage disposal facilities (Casconade River) are ample and approximately three and one-half miles distant from camp site, over extremely rugged terrain.

(h) This latter site is not believed to be suitable from a training viewpoint for the following reasons:

(1) Suitable training areas are not so extensive and small unit tactical training would be comparatively limited.

(2) Some units would have to march several miles to suitable areas which would entail a loss of considerable training time.

(3) Considerable clearing would have to be accomplished at an estimated cost of \$25.00 per acre (Forest Service Estimate).

(4) Rifle and combat ranges would have to be farther removed from the camp site as would the streams to be used for Engineer training and tactical exercises.

(i) The entire Mark Twain National Forest Area (416,000 acres) in which the proposed areas are located, provides for any future expansion which might be necessary.

(j) There will be a minimum of local social and economic disturbance resulting from the location of the training center in this area.

(k) Healthy outdoor recreation, to include fishing, hunting, hiking, cave exploration, etc., within this area, is superior. There are no large centers of population nearby. However, the towns of Rolla (5,800 population) and Lebanon (4,000 population) each approximately 30 miles distant and several smaller communities along Highway 66 offer some recreational advantages. St. Louis and Springfield are approximately 100 miles distant and Jefferson City, the Capital of the State of Missouri, is approximately 65 miles distant from the site.

(l) A Low-Cost Housing project will be essential. Excellent sites for this purpose are readily available in close proximity to the proposed camp site areas.

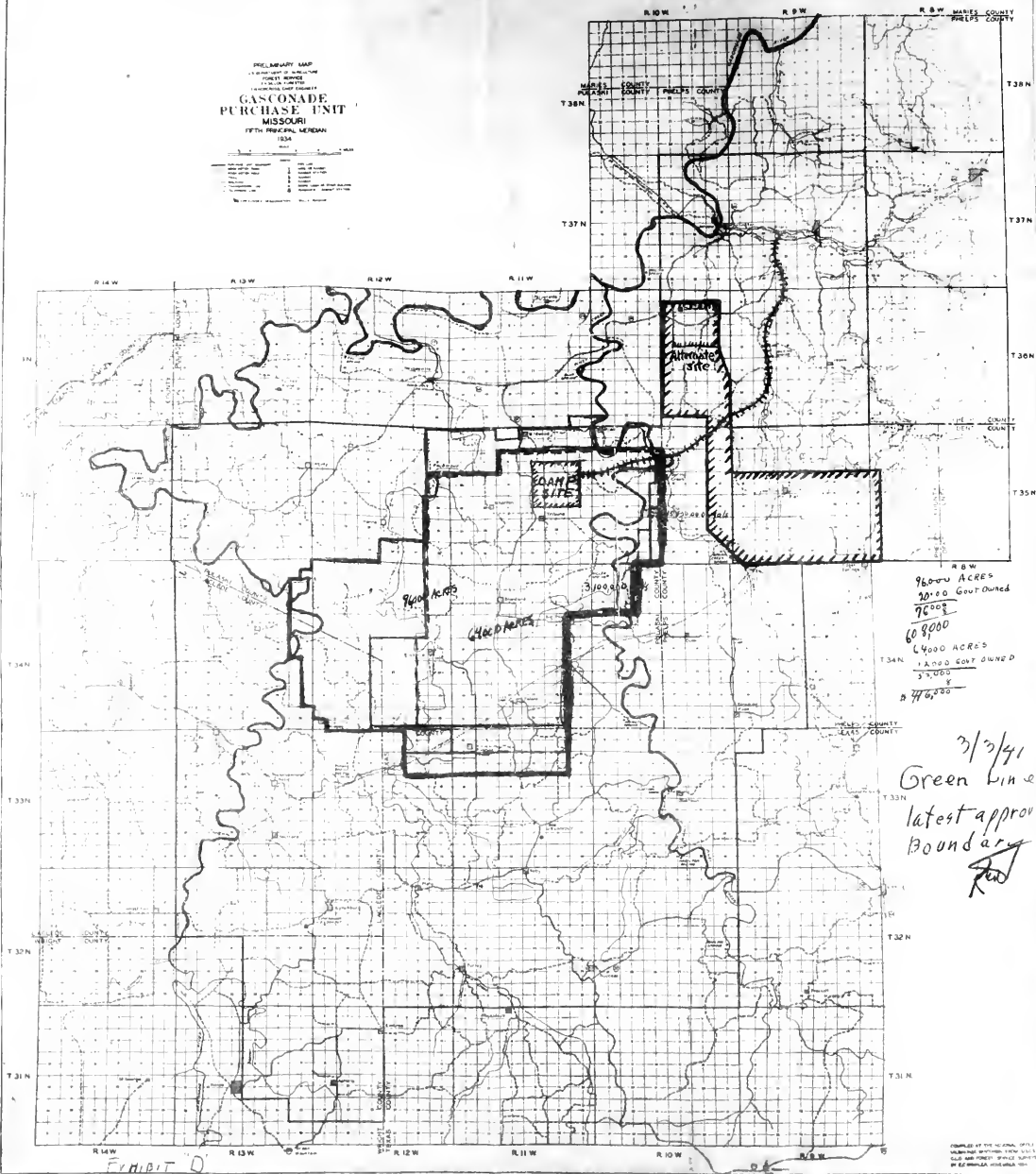
(m) Nearest domestic gas line is approximately 100 miles distant.

(n) This proposed training center will be approximately 200 miles from the center of population of the VII Corps Area. However, training and other advantages will more than compensate for the expense involved in moving personnel this extra distance.



PRELIMINARY MAP
 OF THE
**GASCONADE
 PURCHASE UNIT**
 MISSOURI
 FIFTH FEDERAL RESERVE
 1934

Scale 1:50,000
 1 inch = 1 mile
 1 mile = 1.609 kilometers
 1 kilometer = 0.621 miles
 1 mile = 1.609 kilometers
 1 kilometer = 0.621 miles
 1 mile = 1.609 kilometers
 1 kilometer = 0.621 miles



96000 ACRES
 50000 Cont. Owned
 96000
 64000
 14000 GOVT. OWNED
 37000
 274000

3/3/41
 Green line
 latest approved
 boundary
 RW

EXHIBIT D

COPIES OF THIS MAP, WITH
 EXPLANATIONS, ARE ON FILE IN THE
 OFFICE OF THE FEDERAL RESERVE
 AT ST. LOUIS, MISSOURI

IV. OTHER SITES

1. In addition to the above, the Board, also carefully considered, but did not inspect, the following possible sites for a Training Center:

(a). *Leon, Iowa (Present Site).*—In view of the existing difficulties in developing an abundant and an economic all-time water supply, together with the limited possibilities for future expansion of this site and the prevalent adverse climatic conditions, affecting training, the Board eliminated from further consideration this site.

(b). *Fort Riley, Kansas.*—Eliminated from further consideration on account of a known lack of suitable terrain for varied Divisional Training, the high estimated cost of acquisition (\$50.00 acre) and the known adverse climatic conditions which would effect training.

(c). *Camp Dodge, Iowa.*—Eliminated from further consideration because the estimated cost (\$85.00 acre) of acquiring land to enlarge the present small reservation to provide adequate training areas would be prohibitive, and the severe and extreme climatic conditions prevalent, would not permit of a maximum use of training time.

2. In connection with other possible sites within the VII Corps Area, the Board was informed by the representatives of the VII Corps Area Headquarters, as well as by Dr. Beuhler, Mr. Diehl and Mr. Williams, that they knew of no other sites within the Corps Area, or the State of Missouri, which would provide all of the requisites necessary to the establishment of a training center.

V. CONCLUSIONS

In view of the above, the Board concludes that the site in the Mark Twain National Forest, west of Piney Creek (referred to in Paragraphs 1 (a)–(f), inclusive, Section III, above), is the most suitable site for the location of the VII Corps Area Training Center.

VI. RECOMMENDATIONS

1. That further action with respect to the acquisition of approximately 40,000 acres of land in South Central Iowa, near Leon, for the purpose of establishing a training center thereat, be discontinued at once.

2. That an area of approximately 96,000 acres, in the Mark Twain National Forest, as outlined in blue on attached maps (Ex.-C & D), be acquired for the VII Corps Area Training Center in the most expeditious manner, utilizing funds originally made available for the South Central Iowa site.

VII. The representatives of the Commanding General, VII Corps Area, concur in the above findings and recommendations.

ROBINSON E. DUFF,
Lieutenant Colonel (Infantry) General Staff Corps,
President.

WILLIAM T. FITTS,
Major (Infantry) General Staff Corps,
Member.

LOUIS J. CLATERBOS,
Major, Corps of Engineers,
Member.

CLINTON J. HARROLD,
Major, Quartermaster Corps,
Recorder.

EXHIBIT No. 52

Construction progress on large projects

Project	Approximate cost	Date	Period of construction (years)	Amount per year	Fort Leonard Wood, construction speed ratio
Rockefeller Center, N. Y.....	\$100,000,000	1931-40	10	\$10,000,000	8.4:1
Buffalo sewage disposal project.....	15,000,000	1936-39	3	5,000,000	16.8:1
Chicago filtration.....	22,000,000	1939-42	4	5,500,000	15.3:1
Chicago Sanitary District.....	70,000,000	1935-39	5	14,000,000	6.0:1
Grand Coulee, dam and reservoir ¹	130,000,000	1934-42	9	14,500,000	5.8:1
Bonneville.....	53,000,000	1933-37	4½	12,000,000	7.0:1
Colorado River Aqueduct.....	200,000,000	1932-39	8	25,000,000	3.4:1
Delaware Aqueduct.....	170,000,000	1937-45	9	19,000,000	4.4:1
Toledo.....	9,000,000	1938-41	3	3,000,000	28.0:1
Tennessee Valley Authority:					
7 projects.....	221,000,000	1933-41	9	25,000,000	3.3:1
10 projects.....	390,000,000	1933-45	13	30,000,000	2.8:1
Denison Dam, Denison, Tex. ²	48,000,000	1939-44	4½	11,000,000	7.6:1
New York City Belt Parkway (33 miles).....	29,000,000	1938-40	1½	19,000,000	4.4:1
Battery—Brooklyn Tunnel, N. Y.....	80,000,000	1940-44	5	16,000,000	5.2:1
Lackawanna Dam (New York water supply).....	15,500,000	1939-45	6	2,600,000	32.3:1
Shasta Dam project.....	100,000,000	1938-44	5½	18,000,000	4.6:1
Minneapolis-St. Paul sewage disposal.....	16,000,000	1934-38	4	4,000,000	21.0:1
Pennsylvania Turnpike.....	60,000,000	1938-40	1.8	33,000,000	2.5:1
Fort Leonard Wood.....	35,000,000	-----	2 5	4 84,000,000	-----

¹ Maximum pay roll August 1937, 6,800 men.² Flood control and power project.³ Months.⁴ Rate.

Source: Alvord, Burdick & Howson.

SUPPLEMENTAL DATA

The following document is included at this point in connection with the testimony of Admiral Ray Spear, supra, p. 403.

DEPARTMENT OF THE NAVY,
OFFICE OF THE UNDER SECRETARY,
Washington, May 2, 1941.

MR. HUGH A. FULTON,
United States Senate, care of Senator H. S. Truman.

MY DEAR MR. FULTON: During the hearings before the committee investigating the recent coal strike, Admiral Spear was requested to insert in the record, if available, the number of the man-hours lost by contractors engaged in national defense work due to strikes and labor disturbances within their plants.

There is enclosed a list showing the names of plants engaged in Navy contracts, together with the man-days of labor lost, due to strikes since January 1, 1941.

Sincerely yours,

EUGENE O'DUNNE, JR.,
Special Assistant to the Under Secretary.

Plants engaged in Navy contracts, showing number of man-days lost due to strikes from Jan. 1, to Apr. 29, 1941

Name of contractor	Occupation	Number of employees	Inclusive dates	Man-days lost
Alabama Drydock & Shipbuilding Corporation, Mobile, Ala.	Building destroyers for the Navy.	3,400	Jan. 23 to Feb. 2....	27,200
*Allis-Chalmers Manufacturing Co., Milwaukee, Wis.	Produces turbines for powder plants, wide variety of machine tool items, and special items for the Navy.	7,800	Jan. 22 to Apr. 17....	421,200
Aluminum Co. of America, Edgewater, N. J.	Produces aluminum for aircraft.	2,345	Mar. 12 to Mar. 22...	19,715
American Zinc Co., East St. Louis, Ill.	Construction of new smelter	28	Jan. 13 to Mar. 7....	1,120
Babcock & Wilcox, Bayonne, N. J.	Boilers for the Navy.....	477	Jan. 3 to Jan. 27.....	8,109
Bethlehem Steel Co., Lackawanna, N. Y.	Steel for defense contracts.....	12,000	Feb. 27 to Feb. 28...	18,000
Bethlehem Steel Fabricating Plant, Los Angeles, Calif.	Fabricating steel for aviation plants on west coast.	135	Mar. 10 to Mar. 18...	945
Condenser Corporation of America (Cornell-Dubilier Corporation, South Plainfield, N. J.).	Condensers for Signal Corps contractors.	2,100	Mar. 10 to Apr. 3...	33,600
Cowles Tool Co., Cleveland, Ohio.	Tools for defense contractors...	120	Feb. 27 to Apr. 22...	4,680
Crucible Steel Corporation, Pittsburgh, Pa.	Steel for defense contracts.....	766	Mar. 12 to Mar. 15...	2,298
Curtiss-Wright Corporation, Neville Island, Pa. (Pittsburgh).	Propellers for aircraft.....	900	Mar. 4 to Mar. 4....	910
Eaton Manufacturing Co., Saginaw, Mich.	-----	3,113	Jan. 13 to Jan. 15....	9,339
Foster-Wheeler Corporation, Carteret, N. J.	Navy boilers for ships.....	800	Feb. 12 to Feb. 20...	5,600
Fairmount Aluminum Co., Fairmont, W. Va.	Aluminum.....	191	Mar. 10 to Mar. 16...	955

Plants engaged in Navy contracts, showing number of man-days lost due to strikes from Jan. 1, to Apr. 29, 1941—Continued.

Name of contractor	Occupation	Number of employees	Inclusive dates	Man-days lost
Ingalls Shipbuilding Co., Pascagoula, Miss.	Ships for the Navy.....	84	Jan. 15 to Jan. 24....	672
Do.	do.....	100	Mar. 10 to Mar. 14....	505
*International Harvester Co., Rock Falls, Ill.	Ammunition components and tractors.	250	Jan. 21 to Mar. 31....	-----
Chicago, Ill., Tractor Plant.	-----	6, 500	Jan. 29 to	-----
Chicago, Ill., McCormick Works.	-----	6, 000	Feb. 28 to	-----
Richmond, Ind.	-----	1, 500	Feb. 17 to	453, 650
Motor Wheel Corporation, Lansing, Mich.	Manufacturing of shells, wheels, for airplanes.	2, 500	Feb. 13 to Feb. 25....	22, 500
Phelps-Dodge Corporation, Bayway, N. J.	Small direct defense contracts; copper for defense contracts.	1, 550	Jan. 31 to Feb. 1....	3, 100
Standard Tool Co., Cleveland, Ohio.	Machine tools for firms holding defense contracts.	600	Jan. 27 to Apr. 12....	33, 000
Todd Drydocks, Galveston, Tex.	Shipbuilding and repairing facilities.	2, 084	Mar. 17 to Mar. 23....	8, 481
*Universal Cyclops Steel Corporation, Bridgeville, Pa.	Special steel for fuses and airplane propellers.	1, 382	Feb. 1 to Feb. 5....	4, 146
Do.	do.....	1, 382	Feb. 21 to Mar. 29....	35, 932
*Vanadium Corporation of America, Niagara Falls, N. Y.	Alloy for special steel used in defense products.	386	Feb. 10 to Feb. 21....	3, 860
*Vanadium Corporation of America, Bridgeville, Pa.	do.....	274	Feb. 10 to Mar. 31....	5, 480
*Wright Field, Dayton, Ohio.	Construction of a wind tunnel.	400	Jan. 29 to Jan. 30....	800
Do.	do.....	400	Mar. 4 to Mar. 21....	5, 600
Bethlehem Steel Co., Bethlehem, Pa.	Basic steel for defense contractors.	10, 000	Mar. 24 to Mar. 27....	33, 000
American Steel & Wire Co., Donora, Pa.	Manufacturing gun shells.....	950	Feb. 19 to Feb. 20....	1, 425
B. & H. Aircraft, Long Island City, N. Y.	Parts for aircraft manufacturers.	120	Feb. 19 to Feb. 27....	840
*Combustion Engineering, Chattanooga, Tenn.	Essential chemicals for explosives.	475	Feb. 21 to Mar. 6....	5, 225
Consolidated Steel Co., Orange, Tex.	Steel for Navy boats.....	265	Mar. 3 to Mar. 7....	1, 325
*Continental Steel Co., Kokomo, Ind.	Basic steel for Army and Navy	500	Jan. 24 to Feb. 6....	5, 000
Hertner Electric Co., Cleveland, Ohio.	Generators for the Navy.....	81	Feb. 10 to Mar. 13....	1, 944
National Supply Co., Philadelphia, Pa.	Engines for small Navy boats..	222	Feb. 18 to Mar. 3....	2, 220
Powell Valve Co., Cincinnati, Ohio.	Navy defense materials.....	964	Feb. 11 to Feb. 20....	5, 784
Bethlehem Steel Co., Johnstown, Pa.	Steel for defense contracts.....	800	Jan. 3 to Jan. 8.....	3, 200
Do.	do.....	1, 064	Jan. 25 to Jan. 30....	8, 512
Total man-days lost.....	-----	-----	-----	1, 199, 872

NOTE.—Plants starred indicate joint production, Army and Navy.

The above data have been gathered from many sources, but is believed to be reasonably accurate. The list does not include man-days lost at plants where a strike is still in force and the plant closed down entirely or partly idle.

The following documents are included at this point in connection with the testimony of representatives of the Consolidated Engineering Co., supra, pp. 503 and 515.

MAY 26, 1941.

List of employees employed on Fort George G. Meade project

	Consolidated Engineering Co.	Lloyd E. Mitchell	Blumenthal Kahn	Total
Carpenters and pushers.....	11, 534	5		11, 539
Carpenter apprentices.....	420			420
Laborers and pushers.....	11, 473	697		12, 170
Bricklayers and tenders.....	126	1		127
Cement finishers and pushers.....	205			205
Rodsetters and pushers.....	235			235
Structural steel workers.....	35			35
Roofers and helpers.....	530			530
Truck drivers.....	465	23		488
Painters.....	525			525
Tunnel men.....	22			22
Boilermakers.....	2			2
Equipment operators.....	246	1		247
Equipment mechanics.....	36			36
Tree trimmers.....	12			12
Sheet-metal workers and helpers.....	226	429		655
Plumbers and helpers.....	97	613		710
Steamfitters and helpers.....		297		297
Electricians and helpers.....			490	490
Total.....	26, 189	2, 066	490	28, 745

List of the names and addresses of the various union business agents of the trades that were employed on the Fort George G. Meade project

Business agent of—	Name	Address in Baltimore, Md.
Carpenters.....	John A. Bode.....	715 North Eutaw St.
Laborers.....	John T. Busbee.....	1117 St. Paul St.
Bricklayers.....	J. Raymond Ward.....	201 North Gay St.
Cement finishers.....	R. L. Long.....	747 West Lexington St.
Rodsetters.....	D. J. Scallan.....	360 North Gay St.
Structural steel workers.....	do.....	Do.
Roofers.....	Joseph Martin.....	1827 Maryland Ave.
Truck drivers.....	Joseph Jantz.....	39 South St.
Painters.....	Max Orlowe.....	360 North Gay St.
Tunnel men.....	John T. Busbee.....	1117 St. Paul St.
Boilermakers.....	N. M. Jones.....	2140 Wilkens Ave.
Equipment operators.....	Albert Derrick.....	401 Old Town Bank Bldg.
Equipment mechanics.....	do.....	Do.
Sheet metal workers.....	Frank Bonidio.....	339 St. Paul Pl.
Plumbers.....	Robert J. Buxbaum.....	317 North Paca St.
Steamfitters.....	Hamilton DeBrueil.....	1222 St. Paul St.
Electricians.....	Carl Sholtz.....	Do.

712 INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM

Consolidated Engineering Company, Inc., Baltimore, Md., Baltimore Building cost index

[1860-1880=63; 1880-1900=70; 1900-1913=87½; 1913=100]

	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910
January.....	74.5	74.7	75.5	80.9	82.6	82.1	89.6	96.3	93.1	93.0	97.1
February.....	75.1	76.0	76.5	81.7	82.2	83.1	90.8	97.0	92.2	93.0	98.1
March.....	75.6	76.0	76.6	82.3	82.1	83.0	91.4	97.7	91.9	92.3	98.3
April.....	75.9	76.4	77.8	81.7	82.2	83.7	91.5	98.3	92.1	92.1	98.3
May.....	75.4	75.9	79.4	81.2	82.5	84.4	91.9	98.4	90.9	92.1	98.4
June.....	75.6	76.0	80.1	81.8	83.0	86.4	92.0	98.3	90.0	92.1	99.0
July.....	75.0	76.7	80.0	81.4	82.6	85.4	92.8	97.9	89.9	92.1	99.5
August.....	74.7	76.7	80.6	81.2	82.3	86.8	92.5	97.5	90.3	92.8	99.6
September.....	74.1	76.4	80.6	81.8	81.3	87.2	93.2	95.9	90.5	94.4	99.7
October.....	74.4	77.6	80.9	81.6	81.1	88.0	93.7	95.6	90.8	94.5	99.7
November.....	75.3	77.8	81.2	82.4	81.3	88.6	94.4	95.3	91.2	95.5	99.8
December.....	75.3	76.0	81.2	81.8	81.9	88.3	95.4	92.8	92.6	96.2	99.9
Yearly average..	75.1	76.3	79.2	81.6	82.1	85.6	92.4	96.7	91.3	93.4	99.0

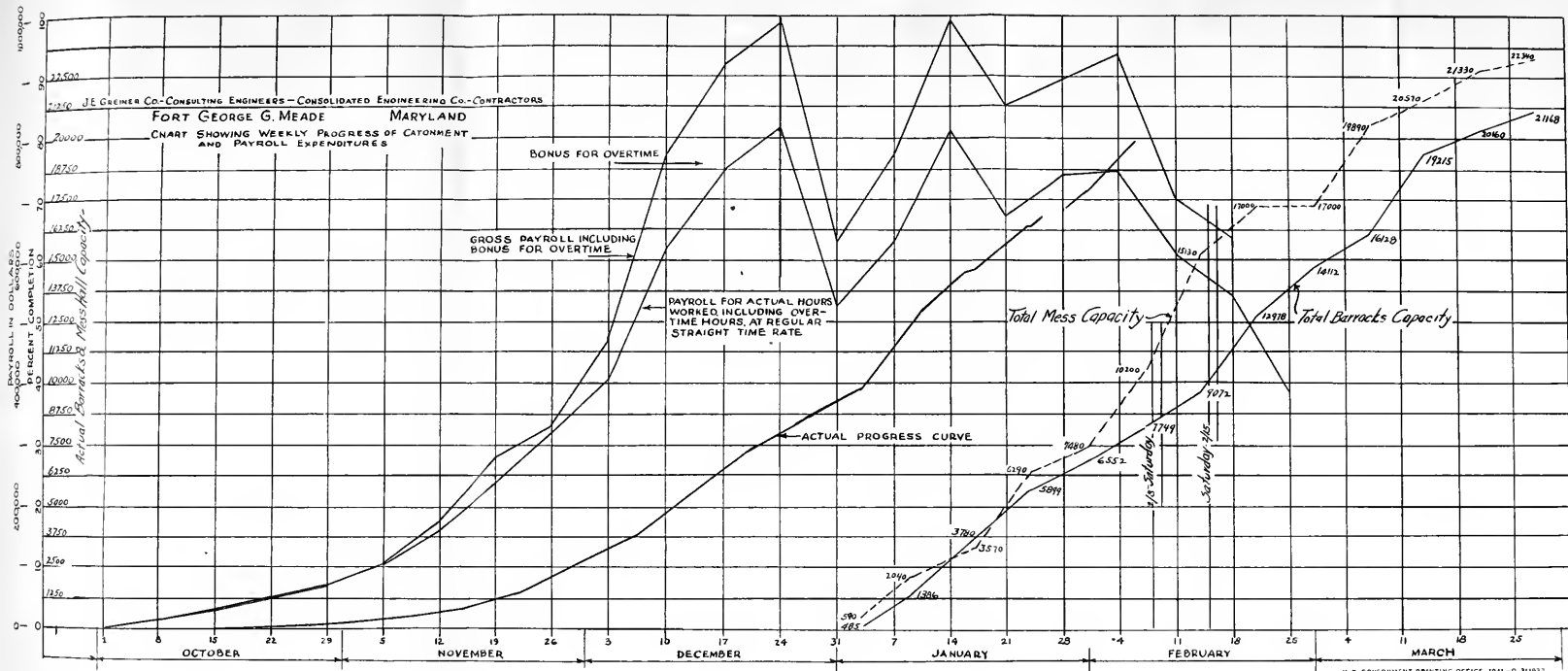
	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921
January.....	89.7	95.9	100.4	98.3	95.9	103.8	115.0	131.4	149.1	217.9	211.0
February.....	99.5	95.7	101.1	98.8	96.8	105.0	117.0	132.6	149.6	236.7	202.1
March.....	99.8	95.9	100.7	99.0	96.8	106.8	119.3	135.8	149.8	250.6	194.5
April.....	100.3	96.4	100.7	98.8	97.0	107.7	122.5	137.2	148.0	261.1	190.6
May.....	98.8	96.6	100.7	98.1	97.6	108.7	125.2	140.0	152.9	262.8	189.1
June.....	97.3	96.8	100.5	98.0	97.8	108.2	133.2	142.6	162.5	261.0	186.4
July.....	97.2	98.0	100.2	97.6	98.1	106.9	138.2	146.0	169.0	259.6	184.2
August.....	96.3	98.5	99.4	97.6	97.4	107.4	138.1	148.4	181.2	257.8	182.6
September.....	96.7	99.4	99.4	97.2	97.4	107.8	136.2	149.6	190.6	253.3	180.2
October.....	96.1	99.3	98.9	96.8	97.8	108.6	131.4	149.5	193.0	250.3	179.9
November.....	96.0	99.6	98.6	96.1	98.9	111.1	130.4	152.5	197.0	229.9	182.0
December.....	95.5	99.5	98.1	95.9	101.4	115.1	130.9	152.0	207.7	224.5	184.9
Yearly average..	96.9	97.6	99.9	97.7	97.7	108.1	128.1	143.1	170.8	247.1	189.0

	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932
January.....	174.0	214.0	212.0	195.0	195.0	184.0	190.0	190.0	190.0	177.0	160.0
February.....	164.0	230.0	214.0	195.0	194.0	185.0	190.0	192.0	190.0	177.0	150.0
March.....	155.0	240.0	215.0	195.0	194.0	185.0	190.0	193.0	190.0	178.0	150.0
April.....	143.0	245.0	220.0	200.0	194.0	185.0	191.0	193.0	192.0	175.0	150.0
May.....	160.0	245.0	225.0	205.0	193.0	190.0	193.0	195.0	189.0	173.0	150.0
June.....	185.0	240.0	220.0	205.0	193.0	190.0	190.0	195.0	185.0	170.0	152.0
July.....	200.0	235.0	220.0	205.0	193.0	188.0	190.0	195.0	185.0	170.0	153.0
August.....	210.0	225.0	215.0	200.0	193.0	188.0	190.0	197.0	185.0	168.0	151.0
September.....	212.0	215.0	213.0	195.0	190.0	187.0	190.0	193.0	180.0	168.0	150.0
October.....	214.0	210.0	212.0	197.0	190.0	185.0	190.0	198.0	178.0	165.0	148.0
November.....	214.0	210.0	200.0	195.0	185.0	185.0	190.0	197.0	175.0	165.0	148.0
December.....	214.0	212.0	200.0	195.0	185.0	187.0	190.0	195.0	177.0	165.0	148.0
Yearly average..	187.1	226.7	213.8	198.5	191.6	186.6	190.3	194.8	184.7	170.9	150.8

	1933	1934	1935	1936	1937	1938	1939	1940	1941
January.....	148.0	175.0	174.0	185.0	198.0	199.0	194.2	201.9	221.9
February.....	147.0	176.0	170.0	184.0	199.0	197.5	194.3	202.9	222.4
March.....	145.0	178.0	173.0	186.0	200.0	197.0	194.0	202.7	222.4
April.....	150.0	178.0	174.0	188.0	205.0	193.4	193.7	202.2	-----
May.....	155.0	178.0	175.0	193.0	205.1	194.7	195.6	203.2	-----
June.....	165.0	177.0	169.0	193.0	204.6	195.2	196.4	202.1	-----
July.....	167.0	178.0	170.0	193.4	204.7	193.9	196.4	203.1	-----
August.....	167.0	178.0	170.0	194.5	205.2	192.0	197.7	203.8	-----
September.....	170.0	177.0	170.0	195.0	205.0	192.6	198.2	205.9	-----
October.....	171.0	176.0	169.0	195.6	204.7	192.6	200.4	208.6	-----
November.....	172.0	174.0	178.0	196.0	202.0	193.3	200.8	211.6	-----
December.....	174.0	174.0	184.0	197.0	200.0	194.0	201.4	212.2	-----
Yearly average..	160.9	176.6	173.0	191.7	202.8	194.6	196.9	205.0	-----

NOTE.—The above indices are computed each month and upon request we will very gladly supply you with figures by which you may keep this copy up to date.

The following chart is included at this point in connection with testimony of Maj. James Noxon, supra, p. 526 et seq.



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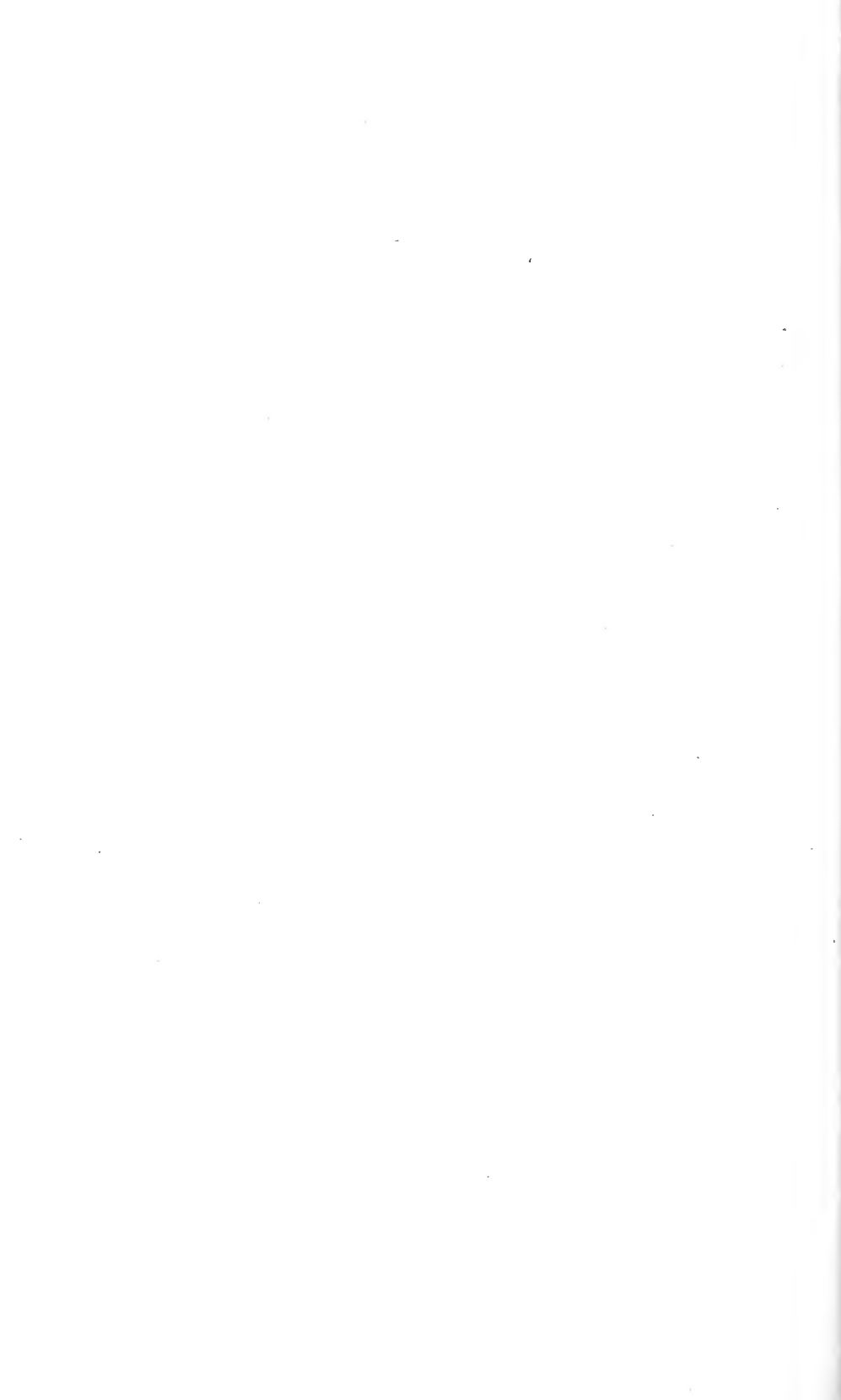
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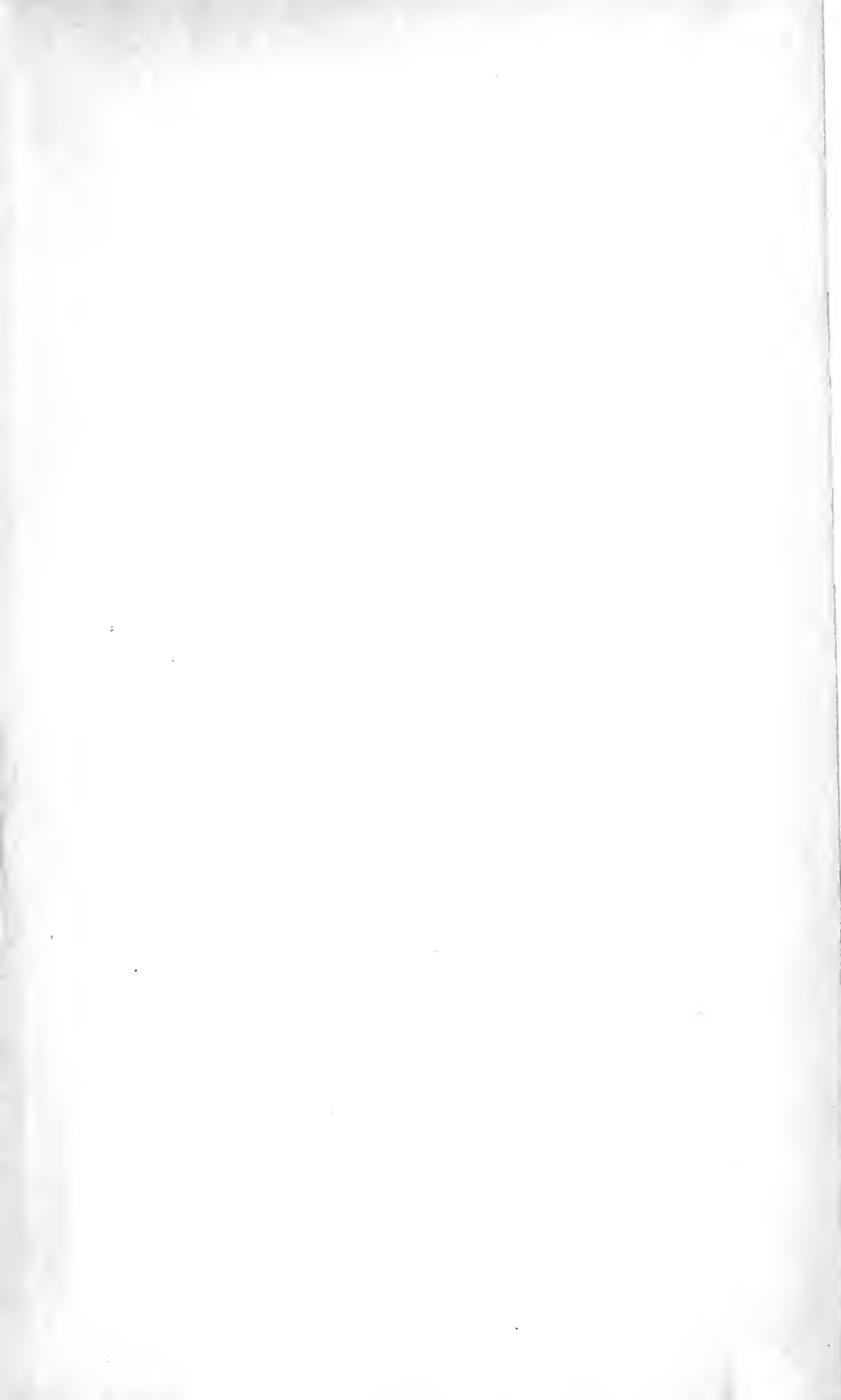












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